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THE FINANCIAL POST

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Canadian Mining News Department Page 20

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The Nation's Business

Job Creation at Public Expense Proves Failure

While Public Relief Undermines Private Charities

Lesson Canada Learns

Unemployment Relief Plans

A READER of The Financial Post writes a letter propounding a problem that has no doubt puzzled many good citizens. This man admits that the unemployment relief programme has proven expensive and he is duly worried about the effect upon government finances of the large sums borrowed to carry it on. Yet he wonders what substitute could have been provided. The country could not let men and women starve; what difference did it make to those with assured incomes whether they paid their share of the cost of this relief through their taxes or through contributions to charitable agencies? It is a fair question.

The government relief schemes divide themselves into two important branches, although these two branches have been somewhat confused in the public's mind. On the one hand there is the system of using the proceeds of public borrowing to carry out public works, ostensibly required in the expansion of the country, but designed chiefly, in the present instance, to create jobs for unemployed men and women. Criticism by The Financial Post has been levelled chiefly against this system which is thoroughly pernicious. It is the most extravagant and inefficient way that any nation can provide employment for its citizens.

* * *

PUBLIC works should be undertaken to provide the nation with only buildings, highways, bridges, etc., that will meet the essential needs of the country and aid it to reduce its costs of production. There is much merit in the scheme, often discussed, of building up a reserve of public works in good times to be proceeded with when prosperity eases off. But there has been no such pre-determined policy to justify large public works now.

We already have in Canada more public works than we require; we have already burdened ourselves with debts, created to pay for these works, up to full present capacity to pay. The works undertaken to create employment are largely works that the country could do without and should do without until we have paid the bills for past works. Adding new capital equipment merely adds maintenance and interest charges to an already overburdened tax structure. An article elsewhere in this issue clearly demonstrates that for every day's work provided about $10 has been added to the public debts of the country.

The benefit to the nation of putting men at work artificially does not begin to offset the ill effect upon the country's credit or even the subsequent cost. Moreover, the state scheme has frightened private enterprise from proceeding with many works that would have created jobs. Economically, it is unsound.

Justification for the programme must be found on sociological grounds. But is the scheme justified even on this basis? The qualities that make great nations are the qualities of self-reliance, and individual initiative. Adopting as political policy the theory that the government owes every man a living undermines the determination and character that are necessary qualities in the people of a young nation.

* * *

OUR national income of tomorrow is being mortgaged, and will later be curbed, in order that the present generation may squander its way back to prosperity.

Thrifty folk, who have shown an ability to manage their personal affairs, are being made to maintain, through their taxes, citizens who have in many cases enjoyed substantial incomes in the past and have spent them as they went along.

The duty of government is not to employ all people who want jobs. No group of people can make themselves wealthy by taking in each other's washing. The function of government is to maintain law and order and to promote conditions that will leave the individual citizen the fullest opportunity to conduct the economic and social business of the nation along lines dictated by experience. Each time the government steps out of its proper sphere, it usurps the liberty and functions of the citizen. If governments stay out of business, if they spend the minimum necessary to provide the citizens with essential public services, there will be jobs for all that want them.

Government job making has not added any net total to the employment opportunities available, for the jobs created have been at the expense of jobs deleted, not only today but for all time until the bills are paid.

* * *

THE second feature of the Dominion-provincial-municipal relief programmes has been looking after unfortunate people who, whether through their own fault or otherwise are temporarily without the means of subsistence. At first there was a general disposition to avoid direct relief. It was felt that there was more virtue in spending $10 or $15 on capital account, from

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ABITIBI POWER CANNOT CHANGE WOODS POLICY

Must Close Pine Falls Mill Unless Orders Take Jump

EQUALIZATION PLAN

Must Use Huge Woodpile in Ontario and Quebec—Manitoba Had Precedence

Although Winnipeg newspapers, the Provincial Government, the Winnipeg City Council, the Winnipeg Board of Trade and other Manitoba public bodies have been seeking strenuously to induce Abitibi Power & Paper Co. to reconsider its decision to shut down the Manitoba Paper Co. mill at Pine Falls, 60 miles from Winnipeg, when the present supply of wood is used next April, the company cannot see how any change can be made in its decision unless the economic situation which caused the decision were itself to change.

All the contentions made in Manitoba to the effect that this mill is one of low cost and great efficiency are admitted, but the management cannot change its policy in view of the present restricted market as long as there is unused wood at any of the mills which can be changed into paper. Any other policy, it is contended, would at present be unfair to bondholders, shareholders, bankers, and the company and therefore, in the end, to the employees and the public itself.

Mill Had Long Run

"The Manitoba Paper Co. mill has been running practically all the time since Abitibi Power & Paper Co. owned it," said Mr. L. R. Wilson, vice-president and managing director of Abitibi Power & Paper Co. to a representative of The Financial Post who asked him if there was any likelihood that the decision of the company would be reconsidered. "It has therefore had more than fair play as compared with other mills which have been closed down all the way from six months to three years. It is a fine mill and it will be reopened when business conditions justify us in doing it. A greater demand for newsprint tonnage will be the factor which will decide re-opening date. We cannot predict when increased demand will come. Nobody can and so no set date can be given for resumption.

Must Use Up Woodpile

"In the meantime it is fairest for all as well as the best economic policy, for us to follow out the equalization plan by which we shift from mill to mill so long as there are available supplies of wood which would otherwise deteriorate. This is no new thing. The Manitoba Government was informed last September that we would be obliged to close down the mill when our supplies were used up in the spring of 1932. We have had to do the same thing with Ontario and Quebec mills and the governments and municipalities concerned have done their best to get us to continue. But without orders for increased tonnage we have not been able to do it.

"The company is not to blame for the business recession and it would be glad if it could have every mill going full blast. The equalization policy is the best it can do until business revives on something like the old scale. We have to try to give every locality a square deal as far as circumstances will permit and we have to use up the old woodpile. We quite appreciate the fact that no municipality or district likes to see its mill close down. Neither do we like to close down a mill and we will be glad when circumstances permit all our mills being opened up again."

Pays Out $2,000,000 Yearly

In the protests against closing down of the Pine Falls mill, Winnipeggers say that the mill has been giving employment to 350 men the year around and that a community of 1,000 people has grown up around the enterprise. The investment in mill and town is stated to be more than $12,000,000. The mill has a capacity of 250 tons daily but is working at about 150 tons daily at present. A yearly output at that rate would be 450,000 tons of newsprint for 300 days and 68,000 cords of pulpwood would be needed for that, as 1.4 cords of pulpwood are needed to make one ton of newsprint.

The wage bill is said to be about $50,000 monthly, or $600,000 a year, power to cost about $200,000, pulpwood at $4.50 per cord to cost $306,000, limestone and coal to total $35,000, general merchandise bought for the town and mill to $250,000, freight charges to be $450,000 on ingoing cars and passengers on railway to pay $24,000, or about $2,000,000 in all. One authority estimates that it will cost Abitibi $1,000,000 for interest on investment, power and light and deterioration. Power and light, he says, is under contract at $13 per horsepower for 20,000 horsepower, making a charge of $260,000 and he calculates interest at $600,000 and deterioration at $120,000. Company estimates of carrying charges would be less than half of this amount.

It is also claimed that shut-down of the mill would entail closing down also the $10,000,000 power plant at Seven Sisters.

Abitibi contracts in Manitoba and Western Canada will be supplied from Ontario mills until wood pile gets to moderate size when Manitoba Paper Co. mill can resume.

Vicious Attack is Made On Canadian Life Insurance

Journal With High-Sounding Name Would Discredit One of Canada's Finest Commercial Assets—No Sound Basis for Charges Made

Editor, The Financial Post:

A copy of the January issue of the Journal of Commerce, printed in Edmonton, Alta., has come to this office. In this journal serious charges of misappropriation are made against T. B. Macaulay, president of The Sun Life Assurance Co. and against Mr. Gundy in connection with the North American Life.

I and many of my friends here who have insurance in both these companies are greatly worried. We would like to know the facts and if we should continue to keep our life insurance with these companies or let the policies lapse.

Insurance has been the only hope of the salaried man to save a few dollars for a rainy day and it now looks as if we are to be deprived of the full benefits of insurance.

I have been a reader of The Post for years and have followed your advice in my small investments. I have admired your courage in going after those who have been trying to defraud the common people. I would like to have a reply by letter or through The Financial Post disclosing the position of these insurance companies and your advice as to whether I should continue to carry this insurance. I have a twenty pay policy with the North American Life on which I have made five payments, and an ordinary life policy with the Sun Life on which I have just paid one premium. I also have a five thousand ordinary life policy with the Canada Life.

Your enquiry is one of a great many which have been received by The Financial Post within the past few weeks regarding the attack on the Sun Life Assurance Co. and the North American Life Assurance Co., which appeared in the paper called Journal of Commerce and dated "January, 1932" at Edmonton and Toronto. We notice the issue contains no advertising except one full page, which offers for sale a book by J. J. Harpell, published by the Institute of Industrial Arts, which is also listed as the publisher of the paper. Mr. Harpell was formerly listed as publisher of the paper and we know of no recent change of ownership.

While the Institute claims that it publishes the Journal of Commerce regularly, the January issue containing the attack on the two Canadian companies is the first we have seen since last November. The November issue was labelled "Vol. 57, No. 11." The January, 1932 issue is labelled "Vol. 57, No. 6" which gives some idea of the value of the publication's arithmetic. On previous occasions The Financial Post has urged its readers to ignore these attacks in the belief that they were unwarranted and misleading. The same advice applies to the present issue of that paper.

Charges Lack Facts

You will have noticed of course the accusation in this paper that "Sun Life Insurance Company has Become Insolvent Through its Speculative Investments." Although these words appear in a full page headline no mention of insolvency is made anywhere in the article and no attempt is made in the article to prove this bold, and unwarranted statement.

As a matter of fact the securities held by the Sun Life are not considered speculative but all come within the terms of the Dominion Insurance Act.

The truth of the matter is that Sun Life has for years specialized in the purchase of common stocks of the leading industrial and utility companies of this continent, approximately 50 per cent of its assets being in this type of security. As is well known the market values of all securities, including even dominion government bonds, have dropped to extraordinary low levels in recent months, so much so that insurance superintendents and commissioners throughout Canada and the United States have declared almost unanimously that quoted prices for stocks and bonds as at December 31, are not indicative of true worth of such securities. Accordingly they have ruled (as has been done on several occasions in the past fifteen or twenty years) that certain "average" or specific values may be used in making up company balance sheets of companies for 1931. Even without this leeway which has been accorded to all companies we believe the Sun Life is a very long way from insolvency, a situation which could probably only occur if the liabilities which are, of course, spread over a great many years, became due at one time, forcing the sale at sacrifice price, of millions of dollars worth of first-rate securities, bought for long-term investment, in order to satisfy the demands of its policyholders.

It is unthinkable that such a thing should happen to one of the finest and most outstanding financial institutions in Canada, yet this is exactly what vicious journalism of the type propagated by the Journal of Commerce is apparently trying to do. If such a campaign were to be taken seriously it would bring under suspicion the entire fabric of Canadian life insurance which is undoubtedly one of the finest commercial assets this country possesses.

As to the charges of misappropriation of policyholders' funds which have been laid against the North American Life and the Sun Life, we have no hesitation in saying we believe these to be entirely false, and to be a deliberate confusion of two entirely separate portions of life insurance companies funds, namely those applicable to shareholders' account, and those applicable to policyholders.

How Profits Apportioned

According to Canadian life insurance law all profits distributed by life companies must be earmarked as to whether they come from "participating" contracts or from "non-par" contracts. Non-participating business as you know is sold at a fixed rate of premium and carries no loading for subsequent distribution of profits. In regard to profits on participating business, however, the law requires that at least 90 per cent of any profits distributed must be payable to policyholders, the remainder only being available for distribution to shareholders.

Actually, in the case of Sun Life only 5 per cent of the profits distributed on participating account have been allotted to shareholders and accordingly, for years, 95 cents instead of the legal 90 cents, has been paid to policyholders out of every dollar of profit distributed from this source.

In the case of North American Life not one cent of profits on participating business, legally distributable to shareholders, has ever been allotted in this manner, all such distributions having gone 100 per cent direct to policyholders. In other words, not only have all dividends accruing to shareholders been paid out of profits from non-par business which rightfully belong to shareholders, but furthermore the entire sum with which shareholders in the company's guarantee fund were repaid, was made available from this non-par surplus fund without recourse having to be made to the general funds of the company.

In other words while there would be actual evidence to support a contention that policyholders have gained in these companies at the expense of shareholders, there is absolutely no evidence to support the contention that shareholders have gained at the expense of policyholders.

In our opinion you and your friends would be very ill-advised to lapse your policies in these, or in any other leading Canadian life insurance company, as we believe the admittedly difficult time which all companies are now experiencing finds the Canadian companies reasserting more than ever their claim to rank among the finest life insurance institutions in the world, and we trust they will be able to maintain their proud boast that no policyholder has ever lost a dollar through failure of a Canadian life insurance company to live up to its obligations.

We might also point out that both of these companies and the majority of Canadian life companies are under the strict supervision of the federal insurance department at Ottawa, which is in itself an assurance that the interests of policyholders will be amply protected in every possible way.

Finish Installations At Montreal Cottons

From Our Own Correspondent

MONTREAL.—Installation of a large volume of new equipment in the plant of Montreal Cottons Ltd., has been virtually completed though the work of reorganizing production still continues. This job, which is being conducted under supervision of Dominion Textile Co., constitutes a major piece of industrial reorganization.

To appreciate the situation it should be realized that the plant of Montreal Cottons at Valleyfield is one of the largest single cotton mills in the world. For the past year a most comprehensive rehabilitation has been given to the whole plant; new machinery has been installed and all existing equipment has been overhauled.

Wide changes have been made in operating policy with a view to increasing efficiency and lowering costs. Whole departments have been shifted around, new processes have been installed; every effort has been made to consolidate and strengthen manufacturing activity and achieve a smooth and continuous production schedule.

Montreal Cottons leased its water rights to Beauharnois Light, Heat and Power for a cash sum of $1,975,000 and other considerations. When the Beauharnois plant comes into production, existing power generating equipment of Montreal Cottons will be idle. As part of the lease the company will receive 8,000 horsepower free of charge from Beauharnois with a further option for 4,000 horsepower at $15 a horsepower.

Paul Sise is New Director of Bell Telephone Co.

John W. Ross has resigned from the directorate of Bell Telephone Co. of Canada. He is succeeded by Paul S. Sise, president of the Northern Electric Co.

Resignation of Mr. Ross was made necessary through an amendment to the company act prohibiting a partner or associate of an auditing company from acting as a director of a company whose books it audits.

JOB-CREATING PUBLIC WORKS TO BE DROPPED

Continuance of Depression Has Revealed Scheme Quite Unsound

DIRECT AID CHEAPER

About $10 Added to Public Debts for Each Day's Work Provided Unemployed

From Our Own Correspondent

OTTAWA.—Notwithstanding the impressive calculations put out in regard to Federal unemployment relief, it is now generally agreed in official circles that the Dominion-wide relief work scheme of the past two years has been unsound. It is most improbable that any renewal of the policy will be authorized for the year 1932-33.

On behalf of the government it must be pointed out that in September, 1930, nobody in the government or advising the government, believed the depression would be as severe or as long-drawn-out as the event has shown. Otherwise it is quite likely that no general public works scheme would have been attempted. The Dominion, as in previous years, would have gone no further than to assist the provinces and municipalities in paying direct relief.

Figures Reveal Waste

An analysis of the results to date of the construction policy reveal clearly that it is unsound economically, exceedingly wasteful in operation, and calculated to strain the credit of municipalities and provinces, if not the Dominion, to the breaking point. Moreover, in point of fact, the policy has proved to be hopelessly inadequate to meet the problem, and has generated much local and sectional ill-feeling on the part both of individuals and governments.

The policy went into effect in September, 1930. There have been, therefore, 16 months in which to try it out.

In 1930, as a result of relief work carried out under joint agreement between the Dominion and the provinces, municipalities, railways and private companies, 332,000 individuals were given 7,318,571 days work. The cost was $70,570,087 of which at least $30,000,000 went for wages.

At the same time, 438,777 heads of families and single men were given direct relief, at a cost to the various governments of approximately $7,000,000. The Federal share of the relief works was $14,342,962, or about one-fifth, and of direct relief, $2,174,159.

Take the relief works. The total of employment per man, when reduced from hours to days, shows that 332,000 individuals received 23 days work apiece during the year 1930-31. An investment of nearly $10 of public funds had to be made for each day's work provided. Put on a yearly basis, the expenditure of $70,000,000 would have given employment to about 25,000 persons.

Helped Small Fraction

When the policy was announced in September, 1930, there were 117,000 unemployed. One year later, when the second construction programme was launched, the unemployed numbered 350,000. Obviously the 1930 policy, while it cost $70,000,000 failed to remove more than a fraction of the unemployed from the bread lines.

Further, the scheme was launched at a time of falling revenues, slackening business. The cost could not be paid out of revenues, so was paid out of borrowings. The $70,000,000, therefore, is now part of the funded debt of the various governments, and has added some $3,500,000 to the fixed annual charges the taxpayers must meet.

Take the 1931 scheme. The programme of works is not yet complete but will run to $60,000,000. The share of the Dominion Government will be approximately $28,000,000, or 46 per cent. This is much higher than the 20 per cent of last year. The explanation is

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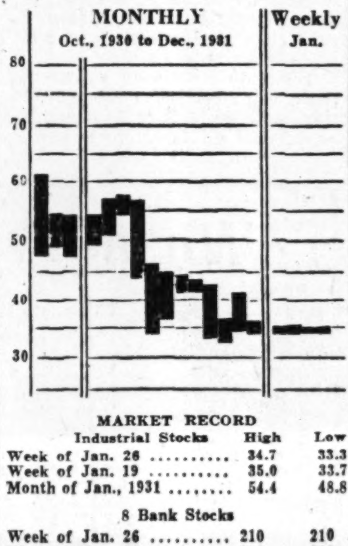
Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

Industrial Stocks	High	Low
Week of Jan. 26	34.7	33.3
Week of Jan. 19	35.0	33.7
Month of Jan., 1931	54.4	48.8
8 Bank Stocks		
Week of Jan. 26	210	210
Week of Jan. 19	210	210
Month of Jan., 1931	247	239
10 Public Utilities		
Week of Jan. 26	56	55
Week of Jan. 19	57	56
Month of Jan., 1931	82	77

B. C. POWER COVERS NEEDS "A" DIVIDENDS

Half Year Earnings Equal $1.06 a Share on "A"

BELOW LAST YEAR

Gradual Improvement Seen in Recent Months—Net Down 11% for Six Months

From Our Own Correspondent

MONTREAL.—Earnings of British Columbia Power Corp. in the first half of its current fiscal year, though lower than those of the corresponding period in the previous year, were sufficient to cover dividends paid on the common stock. In the first quarter, it will be remembered, there was a sharp drop in earnings and dividends were not fully covered. In recent months, however, an improvement has been shown.

The company's fiscal year began on July 1, 1931. To December 31, 1931, net earnings applicable to class "A" dividends were $1,064,203 compared with $1,354,445, a drop of 21 per cent. Dividend requirements on the class "A" shares amounted to $1,000,000; per share profit on the "A" stock in the first half was $1.06 against $1.35 in the first half of the previous year.

Monthly Figures Improve

B. C. Power has been steadily reducing the margin which exists between monthly net earnings of this year and last. The best showing made to date was in December when net at $426,441 was down but 3.8 per cent from the same month in the previous year; in November the decline had been 5.9 per cent. These discrepancies were small in comparison with figures reported in earlier months of the fiscal year which showed a drop of 18 per cent in July and 20 per cent in September compared with similar months in 1930.

Cumulative figures for the six months ended December 31, 1931, show net earnings of $2,313,789 against $2,618,467 or a drop of 11.6 per cent. Bond interest needs in the period were slightly lower while higher provision for depreciation was made; net applicable to common dividends was down 21 per cent.

Lower Interest Charges

Lower interest charges are in part a reflection of financing undertaken in March, 1931, which was the last time the company entered the market with an offering of securities. At that time $4,000,000 of 5 per cent first refunding and collateral trust bonds were sold at 96; proceeds were used to redeem two bond issues of subsidiary companies.

It is yet too early to make any forecasts regarding results of B. C. Power Corp. for the fiscal year that ends June 30, 1932. Indications are that the company has its working expenses well in hand and the recovery made in recent months is encouraging. In the last fiscal year earnings were equal to $2.44 a share on the "A" stock compared with $2.19 a share in the previous year, both figures being taken before allowing for participating privileges on the class "B" shares.

Water Conditions Satisfactory

As far as is known, there has been no recurrence of the difficulties arising from shortage of water which confronted the company two years ago. Drought conditions in 1929-1930 forced the purchase of substantial blocks of power which added considerably to working costs during the year. B. C. Power, however, will be in a better position should such a shortage again appear since it is steadily increasing its available supply of energy.

The most important development in this connection was completion of the first unit of the Ruskin station in 1930. This plant has an output of 47,000 horsepower at present which can be extended to 188,000 horsepower with the addition of further units.

Progress at Bridge River

At Bridge River, where 54,000 horsepower is under development, good progress is being made. A vital feature of the project, a two and a half mile water tunnel, has been finally completed after three years work. Blasting of the tunnel was finished in July, 1930, and concrete lining work has engaged construction forces since that time. Bridge River possesses a greater capacity than any other power site under development by B. C. Power; it is capable of being developed to 600,000 horsepower.

Coming in The Post

Is there magic in mergers? In 1928 many people apparently thought so. Mergers by the dozen were put through.

The Financial Post has made a study of some two score representative mergers effected in Canada, some in recent years but some dating back many years. Reasons why some were successful and other unsuccessful are set down.

The study will start out with a striking article next week. It will be highly informing to investors.

C.N.R. Does Not Act On Toronto Suburban

Holders of Toronto Suburban Railway Co. 4½ per cent first mortgage debenture stock have been notified by British Empire Trust Co., acting as trustee, that representations made to the Canadian National Railways and the Dominion Government for reconsideration of their action in letting the bonds go in default, have brought forth no reply. Properties of the company are in the meantime being protected.

The Canadian National Electric Railways failed to pay interest due on the debenture stock on July 15, 1931, and operations on the line were discontinued on August 15, 1931. The line has been run at a loss for some years. W. A. Walker, Toronto, is acting as receiver for the property.

RELIANCE DEAL IS NOT RATIFIED; SALE CHECKED

Canadian Dealers Do Not Favor Change in Control

Sale of controlling interest in Reliance International Corp. to American International Corp. for cash and an exchange of shares has been deferred and Canadian investment houses which offered preferred and class A stock of Reliance International Corp. are recommending shareholders not to deposit share certificates for exchange into stock of American International Corp. Canadian interest in Reliance International Corp. is said to amount to $1,500,000.

It is pointed out that the trust has no bank loans or liabilities of any kind with the exception of its management contract with Reliance Management Corp. which expires in September, 1932. The preferred stock is the senior security of the trust and the portfolio consists of a well-diversified list of marketable bonds, preferred and common stocks. Improvement in general market conditions would improve asset value of the trust sufficiently to allow resumption of preferred dividends. The preferred stock is cumulative.

May Buy Stock Back

The proposed sale was negotiated in order to increase the assets behind the debentures of Reliance Management Corp. and prevent default on the debentures. This may now be accomplished in some other way. The management corporation holds 330,000 shares of the Reliance International B stock purchased at an average of $1.08 a share and American International Corp. offered some $1.64 per share. It is possible that Reliance International Corp. may buy back its stock from the holding company and the management contract may be cancelled.

The annual statement of Reliance International Corp. as at December 31, 1931, shows net assets of $5,824,655, investments taken at market value which are equivalent to $33.37 per share on the 174,517 shares of $3 preferred stock of no par value. During the year the trust bought in 53,035 shares of this stock and this stock has been largely retired. The trust had total income of $602,071 in 1931 and expenses of $133,427 but had a net loss of $2,588,759 from sale of securities which left a net los of $2,120,114 for the year.

Assets total $13,608,967 but investments shown at cost of $13,045,378 had a market value of $5,283,120 and had depreciated in value since purchase by over 59 per cent. Preferred stock valued at $8,725,850 is the principal liability while there are 385,000 class A common shares and 660,000 class B common shares outstanding. Capital surplus is $4,148,845.

CANADA WIRE PASS DIVIDEND ON "B" SHARES

Omission Follows Cut in December Payment

From Our Own Correspondent

MONTREAL.—Directors of Canada Wire & Cable Co. have decided to omit the next dividend due on the Class "B" common shares. Regular quarterly dividends of $1 a share on the Class "A" and 1⅝ per cent on the preferred have been declared.

Omission of dividends on the "B" stock follows a reduction in payment in October, 1931. The stock was placed on an annual dividend basis of $1.75 a share in December, 1930, which was reduced to $1 annually, with a quarterly payment of 25 cents a share made in December, 1931.

The past year was one of expansion for Canada Wire and Cable. The company's new rod mill in Montreal East was completed and brought into operation in the middle of the year. It is hardly likely that this unit's activities will find much reflection in 1931 earnings figures.

Omission of the dividend on the "B" stock has a bearing on Noranda Mines since at December 31, 1930, that company held 8,000 of the "B" shares of Canada Wire and Cable.

FAIRHALL'S TRUST GROUP REORGANIZE

Equity Back of Senior Stock is Badly Depleted

NEED TWO OR MORE

Plan Calls for Merger of Majority — Founder's Stock Would Still Control

From Our Own Correspondent

MONTREAL.—Plan of reorganization entailing a sharp cutting down of capital values, has been submitted to shareholders of Diversified Standard Securities, Second Diversified Standard Securities and Third Diversified Standard Securities, or, as they are better known, the Fairhall group.

Shrinkage of equities back of the preferred stock, limitation of earnings, weakened financial position and too great overhead, have made it necessary to merge all or any two of the companies involved.

Proposed New Capital

The plan calls for a new company having an authorized capital of 55,000 shares of non-cumulative non-voting preferred stock of no par value, callable at $50 a share and preferred as to dividends up to an amount of $2.50 a share in any one fiscal year; 160,000 shares of Class "A" common stock of no par value and preferred as to dividends up to 50 cents a share in any year over the Class "B" stock and 112,500 shares of double voting class "B" stocks of no par value.

Terms of Exchange

It is proposed to make an exchange of securities on the following basis:

For each preferred share $25 par value of Diversified Standard Securities 7-25ths of one share of new preferred stock, together with one share of Class "A" stock new company for each 10 shares of old preferred held:

For each preferred share of Second and Third Diversified Standard Securities, holders will receive 11/25ths of one share of new preferred together with 1 share of new Class "A" stock for each old 10 shares of preferred held:

Holders of Class "A" stock in Second and Third Diversified Standard Securities and of common stock in Diversified Standard Securities will receive one share of new Class "A" stock for each share held:

Holders of Class "B" stock in Second and Third Diversified Standard Securities and founders shares in Diversified Standard Securities will receive one new share of double voting Class "B" stock for each two shares of old stock held.

Asset Values Low

The position of the three companies was taken as at October 31, 1931, for the purpose of determining values in connection with the apportionment of new securities.

On that date the equity back of the $25 par preferred shares of Diversified Standard Securities had shrunk to $5.35 a share: the equity back of the Second Diversified Standard preferred stock, of the same par value, was only $9.63 a share; while for the $25 par preferred shares of the Third Diversified Standard Securities, the equity was $9.76 a share.

In determining the ratio of val-

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Howe Lumber . 16
Investors Synd. . 16
Imperial Tob. . . 9
Int. H.-Elec. . . 11
Mont. Is. Pr. . . 9
Matthew Moody 12
Mont. Power . . 4
Mont. T'wys. . . 4
Mt. Royal Htl . 17
Mitchell, J. S. . . 16
Medalta Pot. . . 5
Mont. Cotton . . 1
Nat. St. Car . . 13
Nat. Trust . . . 12
N. Amer. Tr. . . 9
Ont. Loan . . . 12
Prudential (En.) 14
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$1.00 PAIR

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Centre,
and Men's Shop

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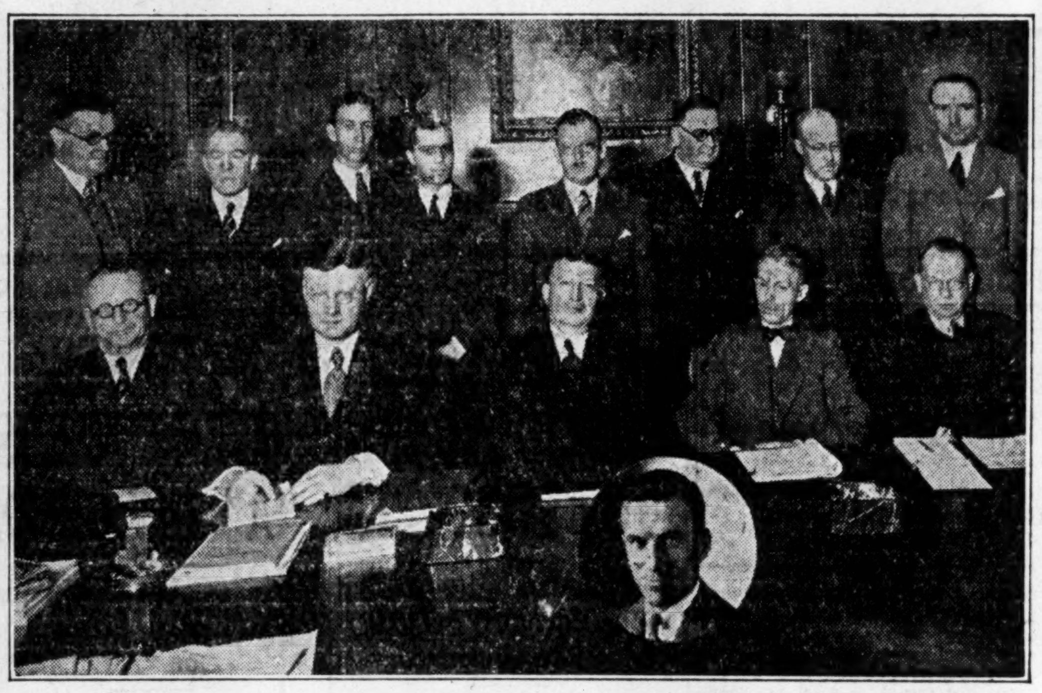


Without a hitch and with voice transmission all that could be desired, the Trans-Canada Telephone System came into being officially on January 25, attended with elaborate ceremonies at Ottawa and all the provincial capitals.

For more than ten years the Bell Telephone Co., Maritime Telegraph and Telephone, New Brunswick Telephone, the three government systems on the Prairies, and the B. C. Telephone Co. have been working on the problem of connecting all the provinces of Canada by direct telephone communication. Heretofore it has been necessary to route the call partly over American lines in order to speak from Halifax to Vancouver.

These are the men who worked out the plans for Canada's new nation-wide telephone hook-up:

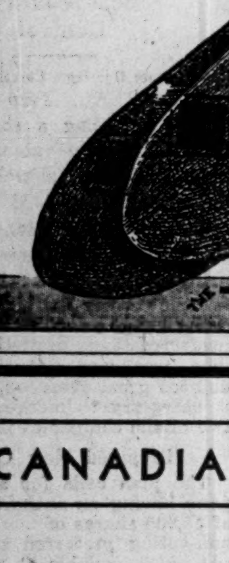
Seated, left to right—Hon. V. W. Smith, Minister of Railways and Telephones, Edmonton; Hon. James F. Bryant, Minister of Public Works and Telephones, Regina; E. Palm, vice-president and comptroller, Bell Telephone Co., Montreal; J. E. Lowry, commissioner, Manitoba Telephone System, Winnipeg; W. H. Hayes, general manager, Maritime Telegraph and Telephone Co., Halifax.

Standing—A. M. Mitchell, auditor, Alberta Government Telephones, Edmonton; J. W. Delaney, auditor, Manitoba Telephone System, Winnipeg; F. Johnson, assistant comptroller, R. V. Macaulay, assistant vice-president, P. A. McFarlane, vice-president, and R. Burrows, assistant vice-president, all of the Bell Telephone Co., Montreal; S. B. Ebbett, assistant general manager, New Brunswick Telephone Co., Saint John; Major J. Hamilton, vice-president and general manager, British Columbia Telephone Co., Vancouver.

Inset below—J. D. Baker, deputy minister, Alberta Government Telephones and president the Telephone Association of Canada.

CANADIAN BUILDERS

CANADIAN BANK OF COMMERCE
HEAD OFFICE BUILDING



King Street
Toronto

The Head Office Building of the Canadian Bank of Commerce, Toronto, is unquestionably the British Empire's finest and tallest skyscraper.

The harmony resulting from the combination of the limestone exterior and the set-back principle in design is dominantly beautiful.

Below the King Street level the serviceable space extends to a depth of 62 feet which includes a complete secondary banking floor. There are 81 occupied floors above street level and the topmost stonework is 460 feet above the curb.

The ANGLIN-NORCROSS organization brings over half a century of diversified building experience to meet your needs.

ANGLIN-NORCROSS
CORPORATION LIMITED
ANGLIN-NORCROSS ONTARIO LIMITED, TORONTO
ANGLIN-NORCROSS QUEBEC LIMITED, MONTREAL

Retail Hardware Trade Reports Increased Business

Since the first of January, wholesalers have received a reasonably good volume of business from the retail hardware trade, in sorting orders for staple household commodities. Stocks are being filled out after the annual inventory period, when shortages make themselves known. The sale of winter lines has not been very heavy yet in the majority of hardware stores, and there has therefore been very little repeat business in seasonable products, states Hardware and Metal, Toronto.

Prices on most spring lines have been named, and wholesalers report an increasing volume of orders booked for later delivery. Poultry netting, fence wire, lawn mowers, certain insecticides, rope, harvest tools, and a wide range of other commodities are included in these orders. Quantities are said to be comparatively good, although there is still some evidence of very careful buying on the part of retailers.

Wall or Desk Chart Canadian Business

1867 — 1931

The Financial Post has prepared the first chart showing the trend of Canadian business since Confederation.

A limited number of copies of this chart have been printed in two colours on heavy paper, suitable either for framing or for putting under the glass top of an office desk. These copies, rolled individually for mailing, are available at $1 per copy postpaid.

Use the coupon to order one or more.

One Dollar a Copy

THE FINANCIAL POST,
153 University Ave.,
Toronto.

Please send me..........copies of your Wall Chart of Canadian Business 1867-1931 for which I enclose $............(at the rate of $1 a copy.)

Name ....

Address ....

936

In addition, this chart appears in The Financial Post Business Year Book, 1932, now available at $2 a copy postpaid.

SASK. CREAMERY PENDING ACTION BY GOVERNMENT

Appointment of Liquidator Announced—Interest in Default

From Our Own Correspondent

REGINA.—Conflicting reports as to the future of the Saskatchewan Co-operative Creameries are in circulation. The Regina Leader announces that with the consent of the government, the appointment of a liquidator and the issuing of a winding up order are to be sought. Officials of the company have refused to give information as to plans which are in the making, but the government declare that the creameries' doors will not be closed, and that farmers are assured of payment for milk and cream consigned to them.

Failure of different classes of stockholders to agree upon a plan for reorganization a short time ago apparently left liquidation of the whole enterprise as the only alternative. The government, however, is the chief creditor, either directly or indirectly as the guarantor of bank loans, and special legislation at the forthcoming session of the legislature to effect a reorganization without consulting the shareholders further has been considered a possibility.

Interest was defaulted on January 1 on $550,000 of 7 per cent bonds outstanding. These are secured on properties of Caulder's Creameries absorbed in the amalgamated company, and constitute the only liability to the public. The rest of the company's liabilities are substantially all to the provincial government, and separate action on the part of the bondholders to protect their rights is not anticipated until it is seen what the government purposes to do.

Famous Players Is Prosecuted Under 2 Acts

Prosecution of Famous Players Canadian Corp. and affiliated theatre companies on three charges of which one is under the Combines Investigation Act and two are under the Criminal Code was started in Toronto, this week, before Mr. Justice Garrow in the winter assizes. The indictments are the result of the Royal Commission investigation of which Peter White, K.C., acted as commissioner.

The report of the commission, brought in in July, 1931, found that a combine existed among certain motion picture distributors and exhibitors in Canada. Three individuals and 15 companies of which Famous Players Corp. is the chief, are named in the indictment. W. N. Tilley, K.C., chief counsel for the defence moved that the indictment be quashed but this plea by the defense was dismissed. One of the first and main witnesses for the Crown was Arthur Cohen, managing director of Famous Players Canadian Corp. N. L. Nathanson, former managing director of the company, is one of the accused.

PRUDENTIAL (ENG.) HAS GOOD YEAR

Prudential Assurance Co., Ltd., of London, England, announce that issued business of their Canadian life branch was $3,500,000 for 1931 apart from annuities. The average policy issued was $4,473.

In achieving this result in its first complete year of writing life business in Canada the company steps into the first place among the British life offices transacting business in the Dominion.

The company is actively expanding in Canada. At the beginning of 1931 it had only one life branch in active operation whereas it begins the year 1932 with five, namely, two in Toronto and one in Montreal, Windsor and Hamilton. It is anticipated that several additional life branches will be opened during 1932.

Preliminary figures showing the company's total life business for 1931 indicate a substantial increase over 1930. The total life sums assured written in 1931 were approximately $439,250,000 as against $424,500,000 in 1930. The company transacts life, fire and casualty insurance in Canada.

Canada Borrows $6 For Each $1 Repaid

By C. A. BOGERT,

General Manager, Dominion Bank, at annual meeting of his institution.

The total of all public funded debts in this country is in excess of $6,000,000,000. This total compares with $4,500,000,000 ten years ago—an increase of about $1,500,000,000, or 33 per cent. The Dominion Government during part of the intervening period effected reductions in the net national debt of approximately 11 per cent from its peak, but this gain was more than wiped out in the past few weeks by the National Service Loan. Do the Canadian people realize that since 1921 the borrowings of the Canadian National Railways have increased about 38 per cent, of the province over 100 per cent and of the municipalities 64 per cent? Do they further realize that in these ten years we have borrowed with our left hand nearly $6 for every $1 repaid by our right?

Preliminary figures of the new census indicate a total population of approximately 10,360,000, an increase of about 18 per cent in ten years. This is a slower rate of growth than expected and compares most unfavorably with our rapidly increasing public debts. One-fifth of them, of course, represents Canadian National Railways expenditures which were made in anticipation of a much greater development than has yet taken place; at present this is Canada's most serious problem. Over-railroaded on borrowed money, are we not, in addition to other extravagances, in danger of becoming over-highwayed, also on borrowed money, and is not the competition of hard-surface road a real threat to the rail systems, already showing steadily decreasing earnings? Apart from this, new and elaborate public buildings of every kind have been built, and other expenditures made, on a scale far in excess of our present needs, if not our wants, and certainly beyond our means. Surely some of these outlays could have been postponed until conditions were more favorable.

Communities are very like individuals, ever ready to borrow when interest rates are low and competing lenders offer money freely; due date then seems a long way off, and sufficient thought is never given to repayment, but the time has undoubtedly come to put an end to extravagance and start upon a programme of retrenchment, which I fear will be long and troublesome. In the meantime we have to provide for enormous national obligations, at home and abroad. The Dominion Government, it is true, secured $215,000,000 through the National Service Loan, which was a splendid showing, but bear in mind that the greater portion of these funds were withdrawn from our own financial institutions, thereby largely reducing the working capital upon which Canadian business depends and which will be required when trade revives.

It is plain that all public works, except the strictest proven necessities, should stop, and it is the duty of the Canadian banks to use every means in their power to bring this about. They should be supported by the investment houses, some of which are far too prone to encourage the issue of securities for such purposes. More than 25 per cent of our debt is payable outside of Canada, chiefly in New York, and high though our credit standing is, that market is closed to us indefinitely.

The Nation's Business

(Continued from Page One)

which a man might draw a wage of $3 or $4, than in giving charity. Lately, as it has been found impossible to raise money for building programmes, direct relief has become more important. The article previously referred to forecasts an abandonment of the public works programme in favor of direct relief which aids ten times as many people per dollar.

Society has always looked after the victims of misfortune, sometimes well, sometimes in pitiably weak fashion. But such action by society does not necessarily imply management of charity by the state. Many philanthropic people today wonder if they are called upon to make their usual contributions to private charities now that they are expected, through taxation, to look after all cases of need. Charity federations seek larger revenues because the need is greater in a time of depression; at the same time governments hand out millions for relief. The average citizen may well be bewildered by the spectacle. He is ready to contribute generously; when the state takes his contribution by force he is to be excused if he cuts off all donations to private workers in social welfare. State charity is undermining the foundations of private charity. If state charity were efficient there would be little lost. But state charity is not and cannot be other than wasteful and inefficient. It sets precedents that rob individuals of that motive for thrift that comes through the realization that if they are improvident in good times they will suffer need in times of distress. It would have been far better if no state programmes to relieve unemployment and distress had been undertaken and if private enterprise had been given the encouragement of non-interference and private charity had been given governmental financial support to the extent that special circumstances dictated.

* * *

THE idea that the state can create wealth other than through the efforts of the people as individuals, and the collateral idea that a state can create wealth by taking from those who have (or from the future) something to give to those who have not, have been proved unsound down through the ages but they persist in circulation.

When our reader asks us what could have been done by way of avoiding relief building programmes and state bonuses to the unfortunate victims of economic depression, the answer can be briefly stated. There would have been jobs for all if governments had kept within their own spheres. Attempting to set aright conditions created by governmental interference by more governmental intervention is no remedy at all. No net new wealth has been created, except in the rare cases where public works have been undertaken that have opened up new and needed sources of production or where they have been calculated to reduce our national costs of production to a greater extent than they have added to our carrying charges. Yet wages must come out of new wealth. Otherwise they come out of capital and Britain's experience indicates that the nation that lives on its capital is headed for destruction. The jobs created have been at the expense of other jobs and our productive ability and were not worthwhile. Any individual distress consequent upon the depression could and would have been adequately and efficiently cared for by the important private charities that in every corner of Canada are supported by those people who have wisely safeguarded their incomes and resources. It may have been necessary to supplement their resources by governmental grants but these grants would have been but meagre burdens compared with the vast capital outlays made, and could have been absorbed into the current expenditures of government.

JOB-CREATING PUBLIC WORKS TO BE DROPPED

(Continued from page 1)

that the provinces and municipalities are unable to keep up, and the federal government has had either to take over a larger proportion or abandon the policy.

Gives Few Days Work

Up to the end of December, 285,000 individuals have been given 3,000,000 days work. This averages about 11 days per man and, as half the year is gone, it is clear the results are going to be about the same as last year when the average period of continuous work was 22 days. It is apparent, too, that $10 or more will be added to our public debts for each day's work created.

Direct relief payments are running high, but no figures are yet available. As a matter of fact, the first sign of a breakdown in relief policy has appeared in connection with direct relief. Many municipalities and more than one province are quite unable to pay their share—having already over-strained their resources in financing relief works. There is a rising demand that the Dominion finance the entire cost of direct relief, accepting provincial and municipal bonds in settlement of the shares of these governments. The Dominion, having placed a heavy strain upon its own resources by reason of relief construction, may or may not be able to take on direct relief payments. If not, the prospect is that direct relief will be abandoned in many cities, and the unemployed left to starve.

Use Direct Labor

The relief construction programme has proved wasteful, extravagant and ill advised for several reasons.

One of them is that, in practically every municipality, the terms of contract have forbidden the use of efficient machinery. The root cause of this policy is found in Section 8 of the general regulations under which the construction policy is administered. This clause provides that "at least 40 per cent of accounts paid for must be direct labor." In many cases minimum wage scales have been in force.

In most cases roads have been built by pick and shovel, foundations have been dug by hand, and so on. The additional cost of doing work this way has been enormous. On one contract at Ottawa (and not a large job), the excess cost of day labor was $28,000.

The extravagance and inefficiency of relief construction as a solution of unemployment is obvious in the figures already given. In two years $130,000,000 will be added to the present huge dead weight of debt and only a small part of the workless will have benefitted.

Not Essential Works

It is not possible to continue laying out money in this way. Unemployment relief construction has been almost as great a drain on the country in the past two years as the railways. True, there are assets in the way of roads and buildings, but they are not assets which yield direct revenue to the state. Not one of these relief works was essential to the welfare of the country. They could and should have been left over until they would have been built out of revenue, not borrowed money. Ottawa knows this now, but knowledge comes too late to save the $130,000,000 which either has been or will be spent.

This is not to say that no assistance should have been given to unemployed. It is clear now, that the proper policy should have been to give direct relief where needed, leaving private enterprise to cope with unemployment.

In 1930 direct relief helped 438,777, about 30 per cent more people than were helped by the construction policy, and the cost was $7,000,000 against $70,000,000 for relief works.

Comparative Costs

In other words, it cost the state not more than $20 per head to carry the unemployed under direct relief: and $210 per head to give 332,000 people 22 days work each in the year. The expense of the relief work was at least 10 times greater than that of direct relief. The figures for this year will run about the same.

A relief problem of 350,000 unemployed, therefore, can be met by direct relief for $7,000,000; by indirect relief (22 days work apiece), $70,000,000.

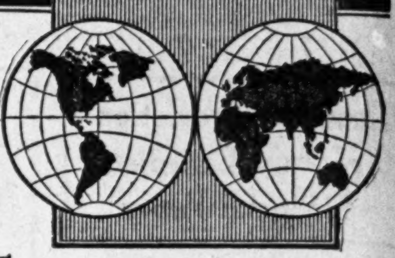
As for the strain on the nation's finance, the record is quite clear. In 1930, the provinces and municipalities gladly availed themselves of Federal assistance in carrying out public works. They borrowed heavily and spent the money.

Harder to Borrow

This year they cannot borrow so easily. It is true that in several of the provinces today the federal government is putting up all the money for relief works, taking provincial and municipal bonds in settlement. While the federal share of the relief work cost has risen from 20 to more than 40 per cent, the bulk of the actual cash must come from the treasury at Ottawa.

Where is the federal government going to get the money to carry on such a policy? Last year the federal deficit was $80,000,000. This year it will be $100,000,000 plus large sums to be charged to capital account. Already some $250,000,000 has been added to the Dominion debt. Had the unemployment problem been met by the granting of direct relief only, the cost for the two years would have been $14,000,000 instead of $144,000,000 and $6,000,000 per year interest charges would have been saved the taxpayers.

Facilities Throughout The World



THROUGH its own offices abroad, and through its old-established banking connections throughout the world, the Bank of Montreal supplies complete banking facilities for commercial and financial transactions in any part of the globe.

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"The difficulties through which we are passing have taught our people to realize as never before the value of life insurance as an investment that gives security in times of stress".—Sir Robert L. Borden at Annual Meeting.

ASSETS

The Company's assets are invested as follows:

First Mortgages on Real Estate........	43%
Government and Municipal Bonds..	19%
Public Utility and Industrial Bonds..	7%
Preferred and Common Stocks...	3%
Loans on Company's Policies..........	18%
Home Office and Other Real Estate.	3%
Cash and Other Assets...........	7%
	100%

Crown Life Progress in 1931

New Insurance Issued
$21,762,533.00

Insurance-in-Force Increased to
$136,684,208.00

Assets Increased to
$16,654,077.99

Paid to Policyholders and Beneficiaries
$2,109,510.53

Average Interest Realized
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Copy of full Annual Report on request.

CROWN LIFE
INSURANCE COMPANY

Rt. Hon. Sir Robert L. Borden, *President*
H. R. Stephenson, *General Manager*

C. H. Carlisle Discusses Taxes, Wages, Relief

National Leaders Must Heed Call For Economy—Wage Problem Presses For Settlement

By C. H. CARLISLE, President, Goodyear Tire Co. of Canada
Address on retiring as president of the Toronto Board of Trade for 1931.

Many lines of commerce and industry have lowered their costs of operation in all matters over which they have control. There are other elements of costs over which they have no direct control, such as the value of money, taxes, cost of transportation, etc., and these are items of much importance. Taxes have for years been on the increase and at present are a burden on business as well as on the individual. These are imposed by governments to meet their expenditures. Governments should balance their budgets, but governments that do so by resorting to excessive taxes instead of exercising judicious spending are not building on a sound basis.

Little can be said in defence of our large governmental indebtedness, municipal, provincial and dominion. Private business could not well succeed under a management which would permit a similar increase in its expenditures. This indebtedness must and will be paid, but the burden of taxation to enable that to be done should be spread over a greater number of our people. I believe every able-bodied person is quite willing to contribute to the government in an amount proportionate to the benefit he receives. Many of the existing tax exemptions are, I fear, the result more of political expediency than of equity. It may be said in defence of our present taxation levies that they are not as high as in some other countries. That is true, but it is no excuse for our lack of economy. There are many ways in which it appears that our expenses could be reduced. For instance, we have 245 members in the federal parliament and 96 in the senate or a total of 341 dealing with federal matters. We would have less expense and would we not have sufficient representation for our population of 10,000,000 people if we had half or fewer members? The same thing applies to the provincial and municipal governments.

Signs of Economy

It is gratifying to note that the western provinces are moving in the direction of a consolidation of governments and a consequent reduction in the cost of administration. I have also been pleased to observe that our civic authorities are considering a reduction in the number of aldermen, a redistribution of wards, and other improvements in our civic government. This is a move in the right direction and will, I am convinced, tend to a more efficient and economical form of civic government. It is stated that one out of every eleven of our population is engaged in governmental service. Political patronage rather than necessity has been the cause of the employment of many of this army of government officials. Large businesses with world ramifications are managed by very few men—why not governments? Our people are becoming more interested in government than in political parties, more interested in statesmen than in politicians. They are demanding the strictest economy in government and a higher state of efficiency in the conduct of our affairs. It behoves our public men to heed this demand in the national welfare.

Wage Question in Canada

Wages are another considerable element of cost. Many wage earners are on short time due to retarded production. Low output increases overhead. Lower costs and lower selling prices seem to be the only way to increase volume of production. Some classes of labor are paid too low a rate as compared with the cost of living. If wages are to remain low, the cost of living must be equally low. Farm products and certain manufactured articles are selling at a sub-normal price while others are selling too high. The same is true of labor. Certain groups are still being paid the same high wages they received in 1929. This does not seem fair, as it increases the cost of commodities to all consumers. Employers and higher executives, as a whole, have voluntarily taken a greater reduction in income than they have asked their employees to take. This is a time when we should all be willing to share the burden. Neither organized capital nor organized labor should be permitted to exact a return greater than is consistent with current conditions. A general readjustment of wage scales is another essential to improved business conditions in Canada. As normality is again reached the trend would also be toward a restoration of wages but in the meantime all would share in the contribution toward recovery.

Unemployment Relief

Unfortunately depressed business conditions have forced many of our citizens into temporary idleness. To meet this situation large sums of money have been spent and will be necessary for some time for temporary employment. We will receive in real value but a small percentage of the money spent. The work being done does not establish permanent employment or solve our labor problem. In the United States somewhat over 56 per cent of their population is urban. The 1921 census figures, the latest available, indicated the town dwellers in Canada all but equalled the numbers upon the land. Canada must now have an urban population somewhat similar in percentage to that of the United States. Owing to the constant improvement of the machine and the consolidation of business, the cities cannot give in the future employment to such a high percentage of our people. We either must find employment elsewhere or continue relief work, which is not constructive. So long as this may be necessary a special wage for work especially undertaken for unemployment relief should be established which, while sufficient to ensure the maintenance of the workers, will be more in keeping with the value of the work performed and will not exceed the prevailing rate in the general labor market for the type of work to be undertaken. Such a rate would provide no encouragement to seek relief work rather than make energetic efforts to secure employment elsewhere. There would also be the additional advantage of distributing the funds available for relief purposes over a larger number. In our efforts to help I fear we do harm, as we provide accident and old age pensions, retirement allowances, non-employment insurance, etc., but we make no effort to impress the thought that every able-bodied and able-minded person owes it to himself and to society to work and save for old age and the ills of life. Too many are willing to drift through life knowing that others will provide for them.

Maintenance of Law and Order

Canada has maintained her British freedom, which she inherited. Over a long period of time she has established laws that are just and equitable. She has impartially enforced these laws. Under these laws we have developed an efficient, progressive and contented nation—a nation that has earned the respect and confidence of all law-abiding people. It is not only the duty of the different Governments of Canada, but of each of its citizens, to see that that which has been built so well shall not be torn down.

Recent disclosures show that there are among us certain people who are trying to undermine our present form of government, and in its place; establish communism—the replacing of religion by atheism. Such people are a menace to our national life. If they are not criminals, then a law should be enacted to bring them under the Criminal Code. Our various Governments, our courts and our police forces are to be congratulated on the efficient way they are dealing with this question. There seems to be no good reason why this element should be tolerated and there should be no time lost in entirely eliminating their baneful influence.

"Back to The Land"

A partial solution of our unemployment problem would seem to me to be found in getting the people "back to the land." Many, I believe, could be placed on small plots, say five or ten acres, where they could live comfortably and cheaply. These families could raise practically all their food supplies and have a small margin for sale. Members of the family could get work from time to time in or out of the city, travelling to and from their work by motor or other transportation, which is available at low rates. Would it not be better if the money for relief work were spent in providing inexpensive and comfortable permanent homes? These properties could be sold at cost on a long payment plan at a low rate of interest, and taxed at a low tax if at all. In this way a home would be provided, coupled with an inducement to save. The Federal Department of Immigration and Colonization, in co-operation with the Colonization Departments of the Canadian National and Canadian Pacific Railways, is doing a very excellent work in this respect for families, with a little capital, and for single men willing to engage in farm work.

The Province of Quebec has met with considerable success with a "Back-to-the-Land" or repatriation movement. Lots of one hundred acres are sold to settlers on easy terms; roads, bridges and schools are built by the Government; assistance is given with seed, clearing the land and with small loans to defray the expense of buildings. Last year over 4,500 families were placed on the land under this scheme. The council of the Board of Trade of Toronto has suggested the desirability of the Ontario government investigating this colonization plan with the view to determining whether it or some such proposal could not be made adaptable to this province for the repatriation of some of our unemployed citizens.

Our three western provinces, Manitoba, Saskatchewan and Alberta have been, until recently, exclusively grain-growing areas. They are now changing to mixed farming, the producing of livestock and dairy products. In 1930 when prices were not high, these three provinces produced livestock and dairy products valued at $315,000,000. Grain growing requires the employment of but few people. Mixed crops, dairy and stock raising requires a considerable amount of labor, so that these provinces are providing, and each year will provide, a greater outlet for employment.

Currency and Trade

The discount of the Canadian dollar has been a further cause of increase in the cost of doing business and will in turn enhance the cost of living. This discount is due to an adverse trade balance especially with the United States. Recent tariff adjustments have gone a long way in correcting our trade balance, but there are other items which cannot be controlled by tariff, such as our heavy borrowings from the United States. Many of these borrowings are payable in United States funds and cause us much concern because of the increased cost involved by the premium on American funds. It is probable that future loans will be placed largely at home, regardless of the higher interest rate which it may be necessary to pay in order to provide an attractive investment. While tariff adjustments have been, as stated, beneficial, the policy of placing a prohibitive cost upon foreign goods, even of a class or kind not made or produced in Canada, through the imposition of duties at fixed currency values rather than at the existing rate of exchange, is not only having an adverse effect upon customs revenue and proving extremely burdensome to importers, but may lead to retaliatory measures which may ultimately be detrimental to our export trade. There would seem to be room for careful scrutiny of these regulations and their effect upon our trade, both export and import.

One of Canada's greatest problems at this time and one which is vital to the trade and industry of the country is undoubtedly that of its railways. We have gone to extremes in our days of prosperity in providing unparalleled facilities and services in practically every direction with the inevitable result that depleted revenues in the years of adversity have been insufficient to meet expenditures. In the year just closed the Canadian Pacific Railway found it necessary to decrease the dividends paid to its shareholders, while the Canadian National Railways added materially to its deficit. As at December 31, 1931, the Canadian National Railways had a net income deficit of approximately $52,945,804 and after allowing for interest on Dominion Government advances, the net income deficit was approximately $84,000,000. The Federal Government is to be commended for appointing such an able Royal Commission to investigate the railway situation. With their findings before them, the government will, it is hoped, be able to work out the best measures of solving this problem and placing our railways on a more stable and satisfactory basis.

The railways are not alone in their financial difficulties. In 1928 and 1929 many companies increased their capital in excess of their assets and earning power. Since then both assets and earning power have decreased. In many cases capital has not been written down. Such companies cannot justly complain if they do not earn dividends on their inflated stocks. During the inflation period governments permitted the issuing of and selling to the public of many securities which are today of little or no value. Governments, both federal and provincial, have the sole control of issuing letters patent authorizing the conduct of businesses for which such securities are sold. It would be for the betterment of business and in the best interests of the investing public if more care were taken in this regard in future so that greater control would be exercised over company financing and the merit of their securities.

Intra-Empire Trade

Turning for a moment to the future development of our trade, business men are looking with confidence to the forthcoming Imperial Economic Conference to produce policies for intra-Empire trade which will greatly stimulate trade and be mutually beneficial to all parts of the Empire.

The council of the board has recently suggested to the Dominion government that the success of the conference will depend, to a considerable extent, on the amount of definite preparatory work done in advance. It has accordingly been recommended that a study of general trade conditions affecting Canada should be made by a committee of business men and economists, with a view to assisting the Federal Government to determine in what ways intra-Empire trade can be increased. This practice might be profitably extended to the development of trade treaties, so that these treaties when completed and put into operation may be of real practical benefit to Canadian exporters and importers. Canada should do all possible to make the Imperial Economic Conference a success. We must be prepared to give as well as to receive. Our interest lies in the British Empire both for protection and trade. The Empire is self-co tained and we should trade amon ourselves. This can be done b establishing sufficient tariff w between the different units. N time was ever so opportune f such a conference to agree up commercial arrangements satisfa tory to all parts of the Empire.

Provinces Hide Loss On Loans to Farmers

Another Article in Series Showing Some of New Ways Governments in Canada Have to Spend Money

ITEM SIX (Continued): LOANS TO FARMERS

Provincial and Dominion government schemes to lend money to farmers have involved the governments concerned in huge losses. In most cases the losses are yet to be determined because the lending schemes have not, in most cases, reached the point where the governments are ready to take their losses. One province, for example, that had an independent auditor go over the accounts of its farm loans scheme simply declined to write down its accounts when the auditor declared that the $500,000 surplus shown was in reality a deficit of $2,500,000. Another province has guaranteed bank loans to farmers. Some of the loans are several years in arrears and the provincial auditor has declared some hundreds of thousands of dollars of them to be uncollectible. Yet the loans have not been written down.

The day of reckoning is yet to come.

Last week the general position in regard to state lending schemes in Canada was reviewed. This week further details may be presented regarding some of the individual schemes.

MANITOBA FARM LOANS ASSOCIATION

Manitoba has had two separate provincial schemes for loaning money to farmers, the Manitoba Farm Loans Association lending on mortgages and the Rural Credits Societies making short term loans.

The Manitoba Farm Loans Association was organized in 1917 to make 30-year loans to farmers, the loans to be repaid in annual installments. The money to make the loans was obtained in several ways. Provincial savings offices purchased some of the Association's bonds. The Manitoba Telephone System was made to invest in the bonds. The government itself bought (or sold direct to the public) other bonds. In addition the government bought $250,000 of capital stock. As no dividends have ever been paid on these shares the association has been bonused each year by about $12,500, the value of this money at five per cent. In the main, however, the association has merely been loaning money borrowed by the sale of provincial bonds.

Between 1917 and 1929 the association made 4,152 loans of a total of $10,484,325. Rates of interest varied from six to seven per cent. From the start the scheme gave ample warning that it would be an expensive failure. It was easier to make loans than to collect them. Finally in 1929 the province seized the opportunity afforded by the establishment of The Federal Farm Loan scheme to announce that it would make no more loans through this association.

What the losses finally will be can not be determined. It will be years before all the mortgages can be liquidated. But the balance sheet as of April 30, 1931, showed $5,924,221 of mortgages still outstanding and not due; $1,165,519 of principal and interest arrears, $1,439,916 of real estate held for sale and a deficit of $1,022,204. Unless some revolutionary change takes place in farm land values in Manitoba in the next decade the present deficit of over $1,000,000 will probably be multiplied to at least three times that figure, in addition to which the province will have paid interest on its $250,000 capital stock investment and will have absorbed a very considerable loss between the net rates at which it has borrowed and the rates at which it has loaned to the association.

MANITOBA RURAL CREDIT SOCIETIES

The second lending scheme in Manitoba is the Rural Credit Societies. This scheme was started in 1917 when the province passed a law facilitating the establishment of local societies of farmers to make loans to each other. Farmers were to subscribe to the stock of the society. The rural municipality and the province together subscribed a similar sum. Loans were usually short-term loans to buy seed, machinery, stock, etc. Further funds for loaning were to be obtained by borrowing from the banks at six per cent, the loans being made at seven per cent. The bank borrowings were to be jointly guaranteed by the province and the societies. Eventually the banks raised their rate to 6½ per cent and the government had to resort to the provincial savings banks and to its ordinary borrowings for funds for the societies.

The societies made plenty of loans but were not able to get all of the money back. Some 9,500 loans totalling $10,000,000, were made. The largest amount outstanding at any time was $3,000,000. Some idea of the character of the loans made may be had from the fact that an investigation made as of October 1, 1928, revealed $2,987,163 of loans outstanding of which $1,109,984, principal and interest, was definitely set down as uncollectible and was written off. Of course there will be further large losses. The administration charges, amounting to more than $300,000 have been paid direct from the provincial treasury. In January, 1930, it was reported in the Manitoba legislature that 1,900 of the 2,869 loans then on the books of the societies were in arrears. In all 74 societies were organized. Of these 72 have had to be taken over by the province. The province still has over a million dollars due to it on outstanding loans on which ultimate losses may be large.

BRITISH COLUMBIA LAND SETTLEMENT BOARD

British Columbia formed an Agricultural Credit Commission in 1916 to make loans to farmers at 6½ per cent out of funds borrowed by the province but in the next year it replaced this body by the Land Settlement Board to make both long and short-term loans.

The minister of finance of British Columbia, in his last budget speech, listed the Land Settlement Board as one of the causes of British Columbia's accumulated deficits. To what extent the losses have been due to actual farm loans and to extent they are due to ventures into drainage and dyking schemes is difficult to figure. Few loans were made, 542 in all to a total of about $600,000, of which about $342,000 were still outstanding at December 31, 1929. The scheme was being wound up with a small annual loss.

SASKATCHEWAN FARM LOANS BOARDS

A few weeks ago the Saskatchewan Farm Loans Board announced that it had no funds to make further loans. The province has lost heavily by this venture into mortgage lending but most of the losses are still to be determined. There are still some $12,000,000 of loans outstanding and it is anybody's guess as to what proportion of these will be written off. Saskatchewan still continues to regard its farm loans scheme as a success as the final day of reckoning is not yet come.

The Saskatchewan Farm Loans Board came into being in 1917. The original idea was for the farmers to buy provincial bonds at five to 5½ per cent. From the funds so derived, loans were to be made at 6½ per cent. But the farmers did not subscribe to the bonds to any considerable extent. There was a queue of would-be-borrowers for every bond buyer. But the province has sold its own bonds and loaned the proceeds to the Farm Loans Board and until recently the board never lacked capital. Up to the present time about $17,000,000 has been loaned of which about $12,000,000 is still outstanding.

Nominally, the Farm Loans Board shows a surplus to date. But this surplus is thoroughly fictitious. A special auditor appointed by the government showed in 1930 that the nominal surplus of half a million dollars should have been shown as a deficit of $2,526,729 which was what had been lost in the first thirteen years of operation. He showed that politics had been responsible for loans being made where they should not have been made; he showed that a very high proportion of the loans were bad; that there were extreme examples of loans carried as current that had not paid a cent of principal or interest for ten years. The auditor's report became the subject of a political debate; it was challenged as unfair and no more has been heard of it. It is impossible to determine from Saskatchewan's public accounts what the scheme has cost to date but probably if it were closed up today and gradually liquidated the ultimate losses would not be far short of double the amount estimated by the independent auditor in 1930. In addition to the Farm Loans plan, Saskatchewan has had in operation other plans for live stock, seed grain, and feed loans to farmers.

Some further provincial schemes will be discussed next week.

INDEPENDENT

The Crown Trust Company is an entirely independent organization. It is not affiliated in any way with any outside financial institution.

Crown Trust Company

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Strength and Security Outstanding

The strength and stability of the Continental Life Insurance Company are well presented in the Annual Report of the Company, now released. An outstanding feature is the item, "Surplus Funds to Policyholders" which now stands at the highest point in the Company's history.

Business in force	$38,808,961.00
Total Assets	7,538,903.27
Reserves	6,635,116.00
Income	1,670,243.85
Surplus to Policyholders	629,031.11
Payments to Policyholders and beneficiaries in 1931	814,563.02

The Company experienced the lowest expense ratio since its inception

Copy of complete report for 1931 mailed on request

The Continental Life Insurance Company

Head Office
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GEORGE B. WOODS
President

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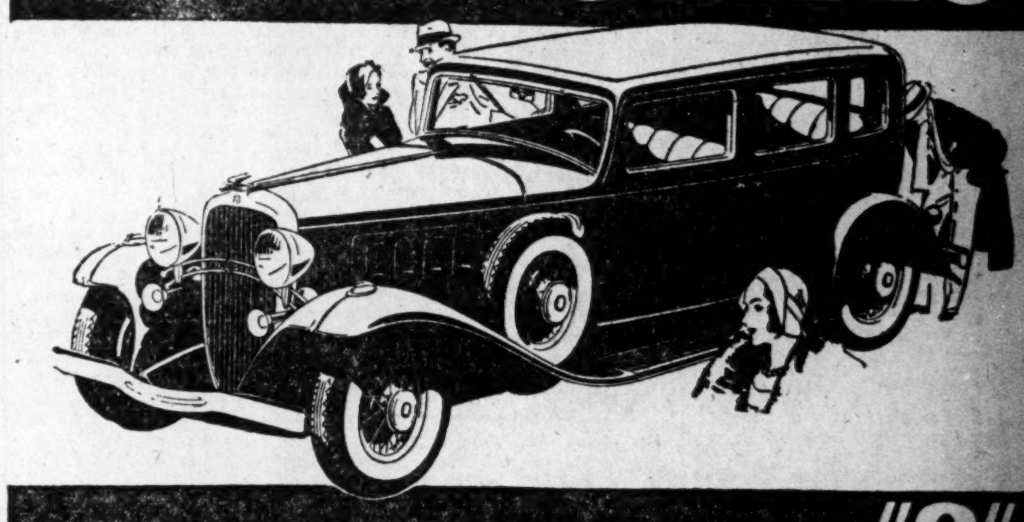

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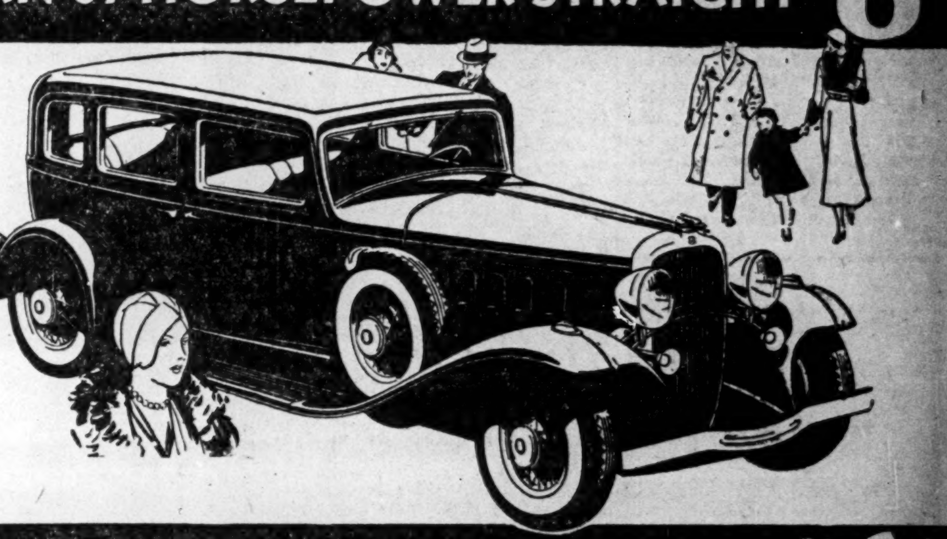

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Utilities and Transportation

Montreal Power Records Further Growth in 1931 Gross and Net Earnings

Share Profits Well Over Dividend Needs in 1931

LOWER MINIMUM

Increase in Capital Stock Reflected in Marked Gain in Asset Values

From Our Own Correspondent

MONTREAL.—Following publication of the annual report, the Montreal Stock Exchange took advantage of the occasion to scale down the minimum price on Montreal Power's stock from 38 to 36. This action on the part of the Exchange is in pursuance of its policy toward the removal of all restrictions with the least possible delay.

Details of the report for 1931 show that Montreal Light, Heat and Power Cons. established new records in gross revenue, in net earnings, in profits available for common dividends and in the year's surplus.

Gross Revenue Higher

Gross revenues for the year were $25,410,776. This compares with $23,484,080 in the preceding year. After setting aside the usual 10 per cent of gross earnings for depreciation, taking care of interest charges, taxes, etc., there remained net income of $9,766,921. This was equivalent to $2.17 a share on the number of shares of common stock outstanding at the end of the year.

Full particulars of the profit and loss account for the past three years follow:

P. & L. ACCOUNT

	1931 $	1930 $	1929 $
Gr. rev. ...	25,410,776	23,484,080	22,286,284
Deduct:			
Op. exp..	7,880,824	7,493,940	7,099,742
Taxes ..	1,719,657	1,559,546	1,416,966
Dep. res..	2,541,077	2,348,407	2,228,628
Net earn...	13,269,216	12,082,185	11,541047
Fix. chgs...	3,502,295	3,138,600	2,803,408
Net inc. ...	9,766,921	8,943,584	8,737,638
Divids. ...	6,586,966	5,837,779	4,890,470
Year's surp.	3,179,954	3,105,804	3,847,168
Cont. fund	700,00	......	250,000
Pen. fund..	20,000	20,000	20,000
*Bal.	2 ,459,954	3,085,805	3,347,168

*Transferred to capital and surplus.

Gain in Shareholders

In the last 12 months shareholders of Power have increased to 7,000. The 1930 annual statement was forwarded to 22,000 odd shareholders, while the report which made its appearance this week will be placed in the mails for slightly over 29,000 individuals.

Of the entire capitalization 88.4 per cent is registered in the names of individuals in Canada; 11.5 per cent is in the names of institutions and .1 per cent is of London registry.

New Capital Influence

The receipt of new capital through the issue of stock rights to shareholders and sale of stock to customers, is reflected in an increase in the value of assets from $132,322,572 to $157,605,423 at the end of 1931.

The balance sheet shows the main investment holdings at $133,271,118, as against $96,100,563 at the end of 1930. A change has been made in the 1931 balance sheet, in that investment securities, shown separately last year, have been combined with the other investments of the company. This was done at the suggestion of the auditors to present a more accurate statement of the company's condition and for the reason that all the company's investments, whether in subsidiaries or otherwise, should logically be grouped where the organization is essentially a holding company, such as Montreal Power.

Miscellaneous investments in Dominion Government and Municipal bonds are shown at $11,855,734, against an item of $29,433,209 in the 1930 report. Call loans and cash now stand at $9,211,567, as against $4,232,936 a year ago.

Among liabilities the funded debt of the company shown at $33,777,000, represents a reduction of $490,000 from the preceding year as a result of operation of the sinking fund.

Receipts on account of subscriptions to new capital stock totalled $18,091,784. This compared with a similar item of $17,019,840 in the preceding report.

Capital and surplus, represented by 4,492,042 no par value common shares, shows an increase from $72,006,373 to $95,600,724.

Deals With Operations

In his report to shareholders, Sir Herbert Holt, president, had the following to say in respect to 1931 operations:

"Incidentally it should at all times be borne in mind that a substantial part of our income is derived from extraneous sources and helps considerably in the maintenance of low rates for gas and electricity.

"Our tax bill for the year 1931 amounted to $1,719,657.17, equal to 28.2 cents per thousand cubic feet if applied to gas sales, or .72 cents per kw.h. if applied to electric lighting sales.

"The ever increasing taxation imposed by Dominion, provincial and municipal governments constitutes a heavy burden on your company and its customers.

Redeem $490,000 Bonds

"There were redeemed during the year $490,000 of mortgage debt, as constituted by $274,000 bonds of this company, $141,000 bonds of the Cedars Rapids Manufacturing and Power Company, $31,000 bonds of the Montreal Light, Heat and Power Company (Lachine Division), and $44,000 bonds of the Provincial Light, Heat and Power Company.

"During the year your directors, with the approval of the shareholders, adopted a by-law providing for the issue of debentures (deliverable upon completion of installments payments) with which to replace, at the option of customer subscribers, no par value common stock subscribed during our last customer ownership campaign. This move was prompted by the desire of your directors to remove any anxiety which customer subscribers may have entertained in regard to their investment. The debentures will be dated July 1, 1932, will run for seven years (subject to redemption after five years at the option of the company) and will bear interest at the rate of 3 per cent per annum, with the privilege to the holder of conversion into common stock at any time up to July 1, 1937.

"Meantime installment payments on stock subscribed are being met with encouraging regularity, which is gratifying evidence of the continued confidence in which your company is held in the community.

"We have had the usual capital expenditures during the year for new sub-stations, transmission and distribution lines (overhead and underground) and gas mains (upwards of 27 miles) to reinforce our system and to take care of the development in our territory. The distribution lines and gas mains (in new territory) in many cases are unproductive for the time being, but are hopeful for the future, meantime extending essential utilities to many people heretofore without service of the kind.

"The coke and by-product sales of the Montreal Coke and Manufacturing Company (in which your company has a half interest) show substantial increase over last year."

Montreal Trams Traffic Off in 1931

From Our Own Correspondent

MONTREAL. — Montreal Tramways Co. carried 13,046,103 fewer passengers in 1931 than in 1930 and 18,535,410 fewer than in 1929. In 1930 the company carried 227,136,581 passengers, so that the traffic volume in 1931 was a trifle over 214,000,000. This is the lowest point reached since 1927, when passengers carried numbered approximately 211,000,000.

The average fare paid by passengers of the Montreal Tramways Co. in 1931 was 6.03 cents. Of this, nearly 3 cents were spent on labor and .03 cents were applied to the stockholders' dividends.

MONTREAL BODY OPPOSES PUBLIC RAIL OWNERSHIP

Board of Trade Submit Memorandum to Commission

From Our Own Correspondent

MONTREAL.—Emphatic opposition to Federal Government ownership of Canada's railways is voiced by the Montreal Board of Trade, which has submitted a memorandum on the railway situation to the Royal Commission on railways and transportation.

Definite recommendation that a common governing board with full powers be appointed to decide on such questions as extensions, duplication of services and facilities, and competitive services between the Canadian National and Canadian Pacific Railways, is one of many suggestions made by the Board of Trade. Membership in this board, according to the memorandum, would consist of representatives from both transportation systems.

Deal With Trucks

It is also recommended that the Federal Government invite the Provincial Government to a conference which would have as its task the formation of agreement as to common legislation to be adopted by all provinces with regard to control regulation and taxation of truck and bus services.

The full text of the memorandum submitted to the commission by the Montreal Board of Trade follows:

"The fact that the government has felt constrained to appoint your commission, with such wide powers as have been conferred upon it, is a clear indication of the vital necessity of arriving at some solution of Canada's transportation problem.

"The magnitude of the problem is established by the vast amounts involved, as shown by the following figures of railway capitalization already placed before you by the Minister of Railways,—

The Canadian Pacific has:

Bonds outstanding	$446,000,000
Preferred Stock	129,000,000
Ordinary Stock	335,000,000
Total	$910,000,000
In addition to which the government has contributed in early years in cash and completed road	$105,000,000

The Canadian National has:

Bonds due to public ...	$1,288,000,000
Capital stock, Canadian Northern, cost	10,000,000
Government obligations:	
Government loans	604,000,000
Cost of Can. Government Railways construction	403,000,000
Government interest accrued, but unpaid .	350,000,000
	$2,655,000,000

Make Recommendations

"The council's suggestions are as follows:

"That a common governing body should be appointed, with the widest powers possible under the circumstances, its membership to consist of representatives from both railways. This board should be the final authority on such questions as extensions, duplication of services and facilities, and competitive services as between the two railways.

"That no extensions or new lines of railway should be constructed except where absolutely necessary, and where the territory is not already served. Where branch lines are found to be necessary, consideration should be given to their joint construction and operation.

"That there should be no purchases of existing railway lines by the Canadian National Railways unless of real or potential value, and then only at prices which may be fully justified.

"That operation of duplicate and uneconomic sections of railway lines, which are today unnecessary and likely to be so for many years to come, should be discontinued.

"That there should be joint use of terminals, joint operation of passenger and freight services, and other facilities wherever economically possible.

"That the question of the joint operation of hotels, telegraph and express services should be investigated to ascertain whether such cannot be carried out advantageously.

Abolish Statutory Rates

"That statutory rates should be abolished. If it is necessary to subsidize any particular section of the country or the production of any particular commodity, it should be done in some other manner.

"That the federal Government should invite the provincial governments to a conference, at which interested parties should be afforded an opportunity of expressing their opinions, with a view to agreeing upon common legislation to be adopted by all of the provinces with regard to control, regulation and taxation of truck and bus services. If it is demonstrated that the railways should go into neither the bus service or the truck business, or both, the necessary power should be given them.

"That as there is a possibility of pipe-line competition with the railways in the future, the Board of Railway Commissioners should be given the same control over pipe-lines as they now have over railways.

"That all free transportation privileges should be eliminated, with the exception of that accorded by railways to their own employees over their own lines.

"That the carriage of package freight on inland waters be made subject to the jurisdiction of the Board of Railway Commissioners, and that canal tolls should be applied to this traffic.

"That the council is not impressed by the results attained by government ownership and operation of any public utility, and in any final adjustment it is opposed to government ownership of Canada's railways.

"That the number of members of the Board of Railway Commissioners for Canada should be reduced. Its members should be of the highest standing and appointments to the board should be based on qualification rather than on political affiliation. Members' salaries should be such as to attract the best qualified men. Coincident with a reduction in the number of members, the board's staff should be strengthened, and assistants or examiners engaged to relieve the commissioners of much of the routine and relatively unimportant work with which they now have to deal."

Canadian Hydro-Electric Double Shareholders' List

From Our Own Correspondent

MONTREAL. — With the current quarterly dividend payment, Canadian Hydro - Electric Corp. despatched cheques to 6,639 shareholders, a new high record and nearly double the number to whom the corporation paid its first dividend on March 1, 1928. At the beginning of December last, the average number of shares of the corporation's first preferred stock held was 19 shares per shareholder, compared with 37 shares per shareholder when the first dividend was paid in 1928.

At the present time, Canadian Hydro - Electric Corp.'s controlled companies have an installed capacity of 679,519 h.p. Gatineau Power Co., the principal subsidiary, now has installed 575,119 h.p. — the inter-connected capacity of all its stations on the Ottawa River, Gatineau River, and other tributaries. The balance of the installed capacity, namely, 104,400 h.p. is distributed between St. John River Power Co., and other units.

Postpone Dominion Park Meeting

From Our Own Correspondent

MONTREAL.—Annual meeting of Dominion Park Co., which was to have been held January 21 has been postponed until January 29.

Public Utility Earnings

Brazilian Traction

December:	1931 $	1930 $	Decrease $
Gross earn.	2,422,182	3,585,067	1,162,885
Oper. exp.	1,073,311	1,478,835	405,524
Net earn.	1,348,871	2,106,232	757,861
Aggre. gross from Jan. 1. ..	34,896,767	46,898,444	12,001,677
Aggre. net from Jan. 1. ..	20,910,417	27,549,594	6,639,177

The decline in exchange again accounts in very large measure for the decrease in net earnings in comparison with December, 1930.

BELD.-CORTICELLI COVERS DIVIDEND PREFERRED STOCK

Common Stock Earned $1.78 on Needs of $7 a Share

From Our Own Correspondent

MONTREAL.—Net earnings of Belding-Corticelli, Ltd. in the fiscal year ended November 30, 1931, were $267,342 compared with $321,112 in the previous year. After provision for depreciation, bond interest and sinking fund net profits were equal to $73,913 against $121,163 shown in the preceding period when provisions were also made for insurance fund and advertising reserve.

Net profit last year covered preferred dividend requirements and left a sum equal to $1.78 a share on the common stock. During the period dividends at the rate of 7 per cent were paid on the common making it necessary to encroach on surplus to the extent of $39,123. In the previous year common stock earnings were $8.08 a share.

Profit and Loss Account

	1930-31 $	1929-30 $	1928-29 $
Net earn.	267,842	321,112	392,925
Deduct:			
Deprec.	141,657	126,601	108,629
Bond int.	36,980	36,980	36,980
Sink. fund	14,790	14,790	14,791
Ins. fund	......	16,576	23,843
Reserves	......	5,000	35,000
Net profit	73,918	121,163	173,682
Pfd. divd.	60,571	60,571	60,571
Com. divd.	52,465	52,465	62,465
Surplus	*39,123	8,127	60,646
Prev. surplus ..	518,663	510,535	449,890
Balance	479,540	518,663	510,536

*Deficit.

Noteworthy in the balance sheet is the wide gain in investments. Government bonds, etc., at not exceeding market value are carried at $230,200; the previous balance sheet carried an item of $1,200 under the heading of investments. Call loans and bonds of the company held for sinking fund total $171,813, an increase of $36,000; the fact that the company's own bonds are included in current assets is a variation from usual accounting practice.

Working capital has been increased by $11,000 to $877,523. Current assets at $1,112,633 are down $101,000 from the previous year but the reduction in current liabilities which are down $112,000 at $235,110 more than offsets the decline.

Other items in assets include cash at $55,068 down $53,000; accounts receivable down $132,000 at $385,347 while inventories have been written down by $182,000 to $270,204. This is the lowest figure to be recorded in the past eight years.

Fixed assets are now carried at $2,451,214, an increase of $40,649 the gain representing net additions made to property during the year. Goodwill and trademarks are carried at the same figure as previously namely $500,000.

In liabilities, accounts payable are down $100,000 at $166,902. Reserve for depreciation and sinking fund is higher by $169,000 at 1,$489,137 while employees insurance and other reserves are lower by $40,000 at $76,830. In this connection it is stated that $13,000 was transferred from employees insurance reserve to investment account to provide for a possible further temporary reduction in the value of government bonds held which have already suffered a small depreciation.

During the year $40,587 of 5 per cent first mortgage bonds were redeemed leaving $179,775 outstanding. The issue matures in 1936. Capital structure is unchanged and profit and loss surplus is lower by $39,123 at $479,540.

In his remarks to shareholders, A. O. Dawson, president of the company, referred to the difficult conditions under which the company operated in the past year. He continued in part:

"The serious handicap your company has had to contend against, is that much of its raw material has been subjected to an increase in tariff rates since September, 1930, while the finished products of your mills were still being imported at the old low tariff rates. This situation, however, will to some extent be corrected when the present trade treaty between Canada and France expires on June 16, 1932. It is also believed that the new tariff rates replacing those that have been ruling under the French Treaty will be such as will enable your company to successfully compete with low-wage countries that have been shipping to Canada large quantities of merchandise that your mills are well equipped to produce."

W. P. MacDougall, secretary and assistant general manager, has been elected to the position of general manager, while D. F. Pollock, manager of statistics, has been appointed secretary of the company.

Anglo-Norwegian Operations Fair in 1930

From Our Own Correspondent

MONTREAL. — Operations of the three whaling companies controlled by Anglo-Norwegian Holdings Ltd., whose stock is listed on the Montreal Curb Market, were reported as satisfactory last year. One of the greatest whale catches to be recorded was reported.

A wide overproduction of whale oil, however, dims the prospects for the current year to some extent. So great is the world surplus at present that few whaling fleets will set out and it is possible that ships of Anglo-Norwegian will greatly curtail their activities in the current season.

Net income of the company in 1930 was $542,446 or the equivalent of 60 cents a share on common stock.

Heavier Orders Reported by West Coast Lumber

New lumber business received by 224 mills reporting to the West Coast Lumbermen's Association for the week ending December 19 was more than 20 per cent above the output and was 6,250,000 feet in excess than orders received during the preceding week. The week was the eighth successive week in which orders exceeded production, making the longest period of such favorable relationship since August-September of 1930. Shipments for the week were under production.

Investors' Opportunity –

When Canadians buy Canadian Bonds the money stays at home.

Province of Ontario 15-Year 5½% Bonds

Price: 96 and interest, yielding 5.90%

World conditions make it possible for investors to purchase Province of Ontario Bonds to yield 5.90%—the highest return that has prevailed since 1921.

Dominion of Canada Bonds and Province of Ontario Bonds have long ranked as the two most popular investments in Canada.

The new Ontario issue offers an unusual opportunity. We believe it will bring a quick response from investors and suggest prompt action by those contemplating investment.

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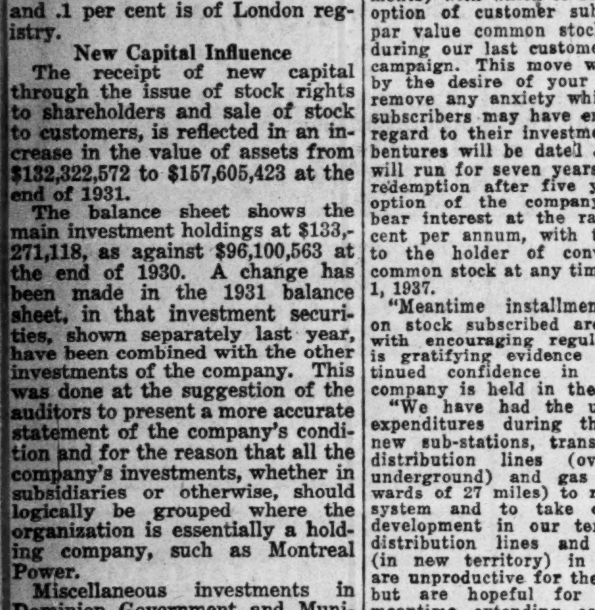

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SEND for our new and attractive Investment booklet descriptive of Canadian Government, Public Utility and Industrial securities yielding from 5% to 8% with safety.

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Royal Bank Building, Toronto

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COST

OF A CHEMIST'S SERVICES IS VERY SMALL IN COMPARISON WITH THE VALUE TO BE DERIVED FROM HIS WORK. IT'S AN INVESTMENT THAT YIELDS A DIRECT AND INDIRECT RETURN.

MILTON HERSEY COMPANY, LIMITED
Industrial Chemists and Engineers
MONTREAL - WINNIPEG

New Issue

$25,000,000

Province of Ontario

5½% and 6% Debentures

(Non-callable)

$ 5,000,000 6% Issue, dated February 1, 1932 Due February 1, 1935
$20,000,000 5½% Issue, dated February 1, 1932 Due February 1, 1947

Principal and half-yearly interest (February 1 and August 1) payable in lawful money of Canada, at the office of the Provincial Treasurer in the City of Toronto, or in the Cities of Montreal, Ottawa, Winnipeg, Vancouver, Halifax or Saint John, N.B., at the holder's option. Debentures of the 1935 maturity will be payable at the principal office of The Bank of Nova Scotia in each of the above-mentioned cities and will be issued in the denomination of $1,000; and Debentures of the 1947 maturity will be payable at the principal office of the Bank of Montreal in the above-mentioned cities and will be issued in denominations of $1,000 and $500. Provision will be made for registration as to principal.

Legal Opinion: E. G. Long, K.C., Toronto.

These Debentures are direct obligations of the Province of Ontario, and are payable, principal and interest, out of the Consolidated Revenue Fund of the Province. The proceeds of this issue will be applied in the funding of temporary borrowings for Hydro-Electric Power development and transmission, highways construction and other purposes.

The Province of Ontario is the wealthiest and most populous Province in the Dominion of Canada. Abundance of water powers, excellent railroad and highway transportation facilities and a plentiful supply of raw materials have fostered a steady expansion both industrially and commercially. Ontario leads in mineral production, and in the volume of manufactured products; it ranks first in value of field crops and second in the value of forest products.

We offer these Debentures, if, as and when issued and accepted by us, and subject to approval of Counsel.
It is expected that Debentures in Interim form will be ready for delivery about February 1, 1932.

PRICE: { **For the 1935 Maturity 100 and accrued interest, to yield 6.00%.**
For the 1947 Maturity 96 and accrued interest, to yield 5.90%.

Bank of Montreal
The Bank of Nova Scotia
The Canadian Bank of Commerce
The Royal Bank of Canada
The Dominion Bank
Imperial Bank of Canada
The Bank of Toronto
Hanson Bros. Incorporated
Cochran, Murray & Co. Limited
Gairdner & Company, Limited
Midland Securities Corporation Limited
W. C. Hughson and Sons, Limited
Milner, Ross Securities Corporation
Macrae & Company
D. J. McDougald & Co.

A. E. Ames & Co. Limited
Dominion Securities Corporation, Limited
Fry, Mills, Spence & Co. Limited
Matthews & Company
Royal Securities Corporation Limited
Harris, Forbes & Company Limited
Drury & Co
W. C. Pitfield & Company
C. H. Burgess & Co. Limited
W. L. McKinnon & Co.
Aird, MacLeod & Company
Griffis, Fairclough & Norsworthy Limited
Greene & Robertson
H. R. Bain & Company, Ltd.
H. C. Monk & Company

Wood, Gundy & Company, Limited
McLeod, Young, Weir & Co. Limited
Bell, Gouinlock & Co. Limited
R. A. Daly & Co. Limited
The National City Company Limited
F. W. Kerr & Co.
Nesbitt, Thomson & Company, Limited
Dyment, Anderson & Company
Flemming, Denton & Co.
J. L. Graham & Company
W. A. Mackenzie & Co. Limited
Stewart, Scully Company Limited
K. F. MacLaren and Company Limited
Brouse, Mitchell & Company
Skaith & Co. Limited
J. L. Goad & Co. Limited
MacLaren, Fletcher & Company

January 28, 1932.

The statements herein have been accepted by us as accurate but are in no event to be construed as representations by us.

News of Investment Markets

ONTARIO BONDS GIVE HIGH YIELD; WELL RECEIVED

3-year Issue of 6's Quickly Over-subscribed; 5½'s Go Well

TORONTO'S NEXT

Plan of Orderly Marketing Works Smoothly; Domestic Capital is Available

The third major step in the orderly marketing of Canadian securities to be taken this year has been taken with apparent success in the offering of $25,000,000 of Ontario bonds on January 26. Over-subscription is reported for both the $5,000,000 of 6's due February 1, 1935, offered at a 6 per cent yield basis and the $20,000,000 of 5½'s due February 1, 1947, and offered on a 5.9 per cent yield basis. Over-subscription represents keen dealer interest and while all of the 15-year bonds are not yet definitely placed with investors it is anticipated that the bonds will be quickly absorbed.

As in New Brunswick and Montreal issues the selling group includes a large number of investment houses who are really acting as fiscal agents. Sale of the $5,062,000 of New Brunswicks on a 5.75 per cent basis was rather slow while the Montreal issue of $15,226,000 met a ready demand for the short-term bonds and the long-term bonds maturing in 1941 moved out well under increasing demand. A considerable amount of investment buying has been deferred pending offering of the Ontario's and response to the issue was even better than expected. The province has not financed on a 6 per cent basis since the period 1920 to 1933 and the record of the bonds floated at that time has been highly satisfactory to investors.

Toronto Comes Next

The Ontario bonds are payable Canada only and will be absorbed domestically to a large extent although at present rates of exchange the 15-year bonds would sell at about 82½ in New York funds and at that price would yield but slightly under 7½ per cent. On account of this yield on one of the premier securities of the Dominion a certain amount of investment buying can be expected from the United States. This, however, does not alter the fact that in financing governments and municipalities in the immediate future entire dependence must be placed on Canadian investors who have taken up some $260,000,000 of Canadian offerings in the past eight weeks.

Toronto is expected to be the next borrower to be in the market. The city has $3,099,000 of debentures pending sale and local improvements to be funded in 1932 amount to $9,000,000 with further amounts authorized in 1931 but still un-negotiated. With the disposal of the Ontario issue, Toronto bonds may be offered very early in February, possibly to the extent of $14,000,000. Strong proponent of the advantages of serial debentures the city has been advised to finance on the usual basis and not to attempt methods of temporary short-term financing by a group of bankers and two former commissioners of finance for the city.

Westerners Must Wait

Following Toronto there is no strong indication of the next borrower, but Nova Scotia and Ottawa are mentioned. Sale of the Ontario issue clears up a piece of financing that has been overhanging the market all January and may make it easier to dispose of other issues particularly of those provinces and municipalities which have high credit rating. All large issues will probably be sold by a large selling group acting only as agents and taking no financial responsibility. It may be some time before conditions will warrant the offering of bonds of some of the western provinces although eventually force of circumstances may force these borrowers to come into the market and make price concessions.

Practically every municipality of any size in Canada has financing to do and once the larger issues have been sold the investment houses and banks can turn their attention to these borrowers. Opinion is very strong at the present time that this financing can only be done on an option basis as none of the investment houses care to take on commitments. It is generally regarded that there must be a wider spread between the bonds of municipalities and those of the provinces than have prevailed during the past year. With Ontario bonds offered on a 5.9 per cent yield basis it is probable that many cities will have to revise their idea of the price that they can secure for their bonds.

Bond Tenders

4 p.m., Feb. 1, Barrie, Ont.—$59,569, installment debentures dated July 1, 1931, guaranteed by the County of Simcoe as follows: $21,000 5 per cent 15 installment debentures; $25,569 5 per cent 20 installment debentures and $13,000 5 per cent 15 installment debentures. Interest payable semi-annually. Total assessment is $4,942,232 exclusive of exempted properties. Debenture debt at December 31, 1931, was $485,658 of which $27,445 was on water works, gas and electric light. A. W. Smith, treasurer.

Feb. 2, City of Riviere du Loup.—$35,000, 5 per cent, 20 year serial bonds. J. Lebel, sec.-treas.

Feb. 15, Parish of Sainte Flore.—$20,000, 5 per cent, 34 year serial bonds. N. Deschenes, sec.-treas.

Feb. 8, Village of Almaville, Que.—$27,000, 5½ per cent, 10 year serial bonds. J. Beaumier, sec.-treas.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Cascade Water Power	4½%	1940	†May 1	100
Interlake Tissue Mills	*6%	1935	Feb. 1	101
Mt. Royal Tunnel & Term.	*5%	1970	Apr. 15	100
Foreign Issues—				
City of Oslo, Norway	5½%	1946	Feb. 1	100

*Called in part.
†Or before.

Victoria Decides To Pay U. S. Funds

Victoria, B.C., will pay interest and principal of its bonds payable in New York in United States funds following action taken by the city council in rescinding a decision made at the first of this year to make payment in Canadian funds only. Pressure was brought to bear on the council from financial houses and the province. S. F. Tolmie, premier of British Columbia, is reported to have protested the action of the city since it might hurt the credit of other British Columbia cities and even that of the province.

During the present year it is understood that Victoria has between $200,000 and $300,000 of obligations maturing which are payable in U.S. funds. The question of payment of Victoria's bonds at par of exchange was also an important one in 1924 and in 1913.

CANADA PAVING CREDITORS MEET

Assets Total $3,244,991; Largely Book Value of Subsidiaries

Creditors of Canada Paving & Supply Corp. meet on January 30 in Windsor, according to notice sent out by Guarantee Trust Co. of Canada acting as trustee in bankruptcy. While preferred shareholders of the company have received the notice their presence at the meeting is not necessary.

According to statement prepared by the trustee which may be subject to change, the assets of the company total $3,244,991 against which there are liabilities of $22,464 to preferred creditors and $80,369 on unsecured liabilities leaving a surplus of $3,142,158 presumably applicable to preferred shares of which there is some $1,943,800 par value of first preferred outstanding and $1,249,000 of second preferred. The first preferred stock is entitled to preference as to assets to the extent of $110 per share. The second preferred stock is not held publicly.

Assets of the company as shown in the trustee's statement include but $1,045 in cash while plant machinery and equipment is valued at $783.277 and real estate at $141,735. Book value of subsidiaries is given as $2,177,199 and surplus in value of securities over loans secured is $141,735.

Confed. Amusements Open New Theatre

From Our Own Correspondent

MONTREAL. — Confederation Amusements Ltd., operating a chain of motion picture houses in Montreal, has built and opened a new theatre having a seating capacity for 1,200 people. The new structure comprises the sixth unit of the company to be placed in operation and brings total seating capacity up to 7,000.

Public investment interest in the company is confined to an issue of $325,000 6½ per cent first and general mortgage bonds which were sold early in 1931 at par. Funds received from the sale of these bonds were used to finance building of the new theatre and for other purposes.

Earnings in 1931, it is understood, were ample to cover bond interest requirements. The company has adopted a policy of exhibiting French talking pictures in certain of its houses which has proved successful; the new unit will include both English and French programmes in its offerings.

Montreal Bond Issue Meets Ready Reception

From Our Own Correspondent

MONTREAL.—Four days after the opening of the subscription book, the $15,226,000 bond issue of the City of Montreal was over-subscribed. It is reported by the banking syndicate that one of the most satisfactory features of the sale was that virtually the entire loan was taken up by small investors, the one large subscriber being the Metropolitan Life Insurance Co., which bought $1,000,000 worth of the issue.

The loan was known as the City of Montreal 6 per cent sinking fund bond (non-callable) and was divided as follows: $3,770,000 due December 15, 1935; $11,456,000 due December 15, 1941. Denominations were of $1,000 and $500, and the price was par and accrued interest to yield 6 per cent.

BRAZILIAN NET 24 P.C. LOWER IN PAST YEAR

Common Shares Earned Approximately $1.37—Dividends Covered

Net earnings of Brazilian Traction, Light & Power Co., showed a decrease of 24 per cent during the year ended December 31, 1931. Gross earnings for the year are shown at $34,896,767 as against $46,898,000 in 1930, a drop of 25.6 per cent, while operating expenses dropped 27.7 per cent to $13,986,350 leaving net earnings of $20,910,417 as compared with $27,549,594 in 1930. During 1931 the company was affected very materially by depreciated value of the milreis but apparently will earn some $1.37 per share on the increased stock outstanding.

While the annual statement of the company will not be available for some months it may be possible to indicate approximately the earnings of the company on the common stock. In addition to the net earnings from operations of subsidiaries there is some miscellaneous revenue which might bring total revenue from subsidiaries up to $21,000,000. Bond interest charges, depreciation and sinking fund reserves of subsidiaries amounted to $11,334,532 in 1930 and on the same basis for 1931 this would leave some $9,700,000 for the holding company.

Dividends Covered

Given a net revenue from contracts with subsidiaries of $9,700,000, Brazilian Traction would also have interest on investments and miscellaneous income of an additional $400,000 or more bringing total income to $10,100,000. General and administration costs in 1930 amounted to $420,737 and provision for amortization another $400,000, while preferred dividends amounted to $24,315 in that year. Deduction of these items would leave approximately $9,255,000 available for common stock or $1.42 per share on the 6,490,046 shares outstanding at December 31, 1931, as compared with $2.50 in 1930.

During 1931 stock dividends of 4 shares for every 100 shares outstanding was paid which would increase the number of common shares outstanding to around 6,752,244 shares at the end of 1931. On the basis of this number of shares outstanding earnings would be at the rate of approximately $1.37 per share. During 1931, the company paid two stock dividends of 2 per cent each, or one share for each 50 shares held, and cash dividends amounting to 50 cents. In 1930 the company paid $1.50 and 3 per cent in stock dividends.

Hudson Bay Mortgage Earns 4.8 Per Cent

Earnings of Hudson Bay Mortgage Co., Vancouver, for 1931 amounted to 4.8 per cent of its preferred and common stock, this comparing with 1930 earnings of 4.7 per cent. Capitalization consists of $62,200 of 7 per cent cumulative preference shares and $40,520 of ordinary shares outstanding. Total net profits of $4,915 compare with $4,828 for the previous year.

After deducting preferred dividend paid, $4,354, a surplus of $561 was carried forward to profit and loss account, bringing the balance carried forward up to $6,662.

PROFIT AND LOSS ACCOUNT
Years Ended Dec. 31

	1931 $	1930 $
Earnings	8,248	8,119
Less: Expenses	2,842	2,875
Taxes	491	416
Net profit	4,915	4,828
Less: Divds. pref.	4,354	4,354
Surplus	561	474
Previous surplus	6,101	5,627
Bal. carried forward	6,662	6,101
Earned per share	4.8%	4.7%
Paid on pref.	7%	7%

Total assets are valued at $113,426 as against $112,890 at the end of 1930. Mortgage loans outstanding rose during the year to $97,100 from $96,200. Real estate and premises are valued at $11,825 compared with $12,142. Cash totalled $1,909 as against $2,500 a year ago. Interest in arrears stands at $268 compared with $29 at the close of 1930.

DOMINION MOTORS PREPARES MODEL FOR SPRING SHOW

Durant Receivership Does Not Affect Canadian Company

Dominion Motors, Ltd., formerly Durant Motors of Canada Ltd., is in no way involved in the passing into receivership of Durant Motors, Inc., for which a receiver was appointed on January 26 to preserve that company as a going concern. The Canadian company holds Canadian rights to the manufacture and sale of Durant cars and Rugby trucks but there is no corporate connection between the companies and no materials are purchased from the United States company.

Dominion Motors, Ltd., was formed in March, 1931, and acquired the business and assets of Durant Motors of Canada, Ltd. An agreement was secured out of court whereby Durant Motors Inc., definitely relinquished control of the Canadian company at the same time assuring Dominion Motors Ltd., of Canadian rights to manufacture Durant products.

In September, 1931, Dominion Motors, Ltd., brought out a car under the name of the Frontenac Six and the company has recently been engaged on production of a new and larger model of this car which will be displayed at the Toronto Motor Show in February.

Security Dealers Oppose Quebec Tax on Dealings

From Our Own Correspondent

MONTREAL. — Representatives of the Montreal Stock Exchange and the Bond Dealers Association of Montreal have protested to the Provincial Government certain details of the Government's proposed increased tax on dealings in shares and bonds.

In the case of the members of the Montreal Stock Exchange, the protest hinges not on the proposed increase in the transfer tax from two to three cents, but on certain amendments. One amendment proposes that the tax apply to orders as they are placed, rather than when the order is filled. Another point which the Montreal Stock Exchange Committee finds unfair is the application of this tax on all business handled by Quebec houses in their branches outside of this province. This would have the tendency of driving business from these branch houses to firms which do not have their head offices in Quebec. Another point struck by the Stock Exchange representatives was the unfairness of such a tax on the low priced issues.

RAISE AUTO RATES 6 P.C. IN QUEBEC

C. A. U. A. Make Substantial Changes at Special Meeting

Substantial increases in premium rates for public liability and property damage in the province of Quebec, and several minor readjustments of rates in the Maritime provinces resulted from the special general meeting of the Canadian Automobile Underwriters Association held in Ottawa on January 20. Ontario is not affected by any of the changes agreed upon.

Rates for private passenger cars for public liability and property damage in Quebec were raised by about 16 per cent, while there was a reduction of 15 per cent in theft premiums. Collision and fire premiums remain unchanged, so that the average change shows an approximate increase of 6 per cent over all covers. On commercial vehicles, the rates for property damage are raised about 14 per cent and fire and theft rates will be 20 per cent higher. No changes were made in public liability or collision rates.

Various smaller readjustments of rates were put in force for the Maritime provinces, resulting in an increase in fire rates in Nova Scotia and Prince Edward Island and a reduction in premiums for collision coverage in New Brunswick.

Medalta Potteries Will Be Discussed

Holders of the 6½ per cent debentures of Medalta Potteries Ltd. will meet in Calgary on January 29 to consider finances of the company and to appoint a committee to confer with directors of the company on company affairs. In 1930 the company showed net profit of $289. The company manufactures stoneware pottery with plant at Medicine Hat, Alta.

At December 31, 1930, there was $320,000 of debentures outstanding of an authorized issue of $500,000. An annual sinking fund of 25 per cent of net profits available for common dividends with a minimum of $5,000 was to start on March 1, 1931.

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year end	Net income 1931 $	Net income 1930 $	Common earnings 1931 $	Common earnings 1930 $	Curr. divd. $	Balance car. fwd. 1931 $	Balance car. fwd. 1930 $	Mkt.	Mkt. times earn.	Yield %
Toronto General Trusts	Dec. 31	398,506	456,230	13.28	15.21	12.	*81,823	257,715	215	...	5.6
Ontario Loan & Deb.	Dec. 31	277,841	290,558	6.94	7.76	6.	73,543	41,876	117	...	5.1
National Trust	Dec. 31	449,892	533,549	14.99	17.78	14.	279,857	249,965	250	...	5.6
Toronto Savings	Dec. 31	209,836	212,526	20.98	21.25	14+6	81,118	71,282	...	...	...
Hudson Bay Mtge.	Dec. 31	4,915	4,828	4.8	4.7	7.	6,662	6,101	...	...	...
Canada Trust	Dec. 31	108,078	132,081	10.80	13.21	10.00	41,201	33,123	...	...	...
Huron & Erie Mtge.	Dec. 31	400,490	511,615	8.00	10.23	8.00	85,611	85,121	144	...	...
Crown Trust	Dec. 31	60,908	110,815	6.09	11.08	7.00	49,724	60,947	...	...	...
Building Products Ltd.	Dec. 31	263,820	326,434	2.18	2.70	2.00	956,778	934,649	20	9.15	10.
Bank of Nova Scotia	Dec. 31	2,579,802	2,535,643	†17.17	†16.83	16.00	559,633	534,831	274	16.	5.85
Mount Royal Hotel Co.	Dec. 31	126,451	202,635	...	1.10	...	11,731	85,185	...	...	...
Belding-Corticelli, Ltd.	Nov. 30	73,913	121,163	1.79	8.08	7.00	479.540	518.663	...	...	...

* Less investment reserve.
† After deduction of amount written off bank premises and taxes.

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Basis
Almonte, Ont.	Jan.	Gairdner & Co.	5%	.....	$20,000	95	...
Alvinston, Ont.	Jan.	Locally	5%	15-ins.	4,836	100	5%
Provincial—							
Ontario	Jan.	Bank of Montreal; Bank of Nova Scotia; Bank of Commerce; Royal Bank; Imperial Bank; Bank of Toronto; Dominion Bank; Hanson Brothers; Cochran, Murray and Co.; Gairdner and Co.; Midland Securities Corp.; W. C. Hughson and Sons; Milner, Ross Securities Corp.; Macrae and Co.; D. J. McDougald and Co.; A. E. Ames and Co.; Dominion Securities Corp.; Fry, Mills, Spence and Co.; Royal Securities Corp.; Harris, Forbes and Co.; Matthews and Co.; Drury and Co.; W. C. Pitfield and Co.; C. H. Burgess and Co.; W. L. McKinnon and Co.; Aird, MacLeod and Co.; Griffis, Fairclough and Norseworthy; Greene and Robertson; H. R. Bain and Co.; H. C. Monk and Co.; Wood, Gundy and Co.; McLeod, Young, Weir and Co.; Bell, Gouinlock and Co.; R. A. Daly and Co.; the National City Co.; F. W. Kerr and Co.; Nesbitt, Thomson and Co.; Dyment, Anderson and Co.; Flemming, Denton and Co.; J. L. Graham and Co.; W. A. Mackenzie and Co.; Brouse, Mitchell and Co.; K. F. MacLaren and Co.; Skaith and Co.; Stewart, Scully Co.; MacLaren, Fletcher and Co.; J. L. Goad and Co.	6% 5½%	1935 1947	5,000,000 20,000,000	*100 * 96	6% 5.90%
Prince Edward Island	Jan.	Griffis, Fairclough & Norsworthy	5½%	20-yr.	150,000	...	...

*Offering price.

Canada Cement Bonds Hold Strong Position

Annual Report Showed Interest Earned 2.89 Times After Depreciation; Yield About 6.7 Per Cent

Eighth of a Series on Canadian Bonds

The annual statement of Canada Cement Co. for the year ended November 30, 1931, shows a remarkable stability in earnings and net profit when compared with reports of the two previous years and an improvement in liquid position. Despite substantial decline in building and construction, the company, which handles some 80 per cent of the cement business in Canada has continued its progress.

At a period when industrial bonds hold little favor with investors due to uncertain business conditions, Canada Cement Co. brings out a report which shows interest on its $19,178,000 of 5½ per cent first mortgage bonds earned 4.82 times before depreciation and 2.89 times after depreciation. This is the best coverage of bond interest in any year since the bonds were offered in November, 1927. Equities per $1,000 bond have also increased and now amount to $2,540. With this security the bonds are selling around 88 to yield some 6.7 per cent. This is a much higher yield than can be secured on several of the strongest Canadian public utilities but is comparatively low for an industrial bond at the present time.

Long Dividend Record

Formed in 1909 to acquire some 12 companies engaged in the manufacture of Portland cement the company has made very material progress as demand in Canada for its products has increased. Earnings have varied from year to year according to activity in construction and road building but dividends on the old preferred stock have been paid regularly since January 1, 1910. In 1927 control of the company changed hands and the present company was formed. In November of that year an offering of new preference stock and an issue of bonds was made.

The company's properties are located in all parts of Canada with manufacturing plants in Montreal, Montreal East, Hull, Que.; Belleville, Lakefield and Port Colborne, Ont.; Tuxedo, Man.; Exshaw and Blairmore, Alta., and warehouses and storage plants in other parts of Canada. Total production of which manufacturing plants of the company are capable is 12,000,000 bbls. per year and during 1931 plants were operated at about 60 per cent of capacity. Fixed assets of the company included land, buildings, plant, equipment, etc., are valued at $39,633,435 as at November 30, 1931, after full provisions for depreciation.

The dealer business and business originating during past year showed a considerable recession from 1930 business but the company benefitted from the finishing up of a number of construction projects carried over from the more prosperous years of 1928, 1929 and 1930. Total tonnage produced was less than in 1930 although in the first part of 1931 there had been some increase in output. With no improvement in construction contracts awarded during 1932 and a decrease in public works activity, the company would show decreased earnings in the current year, while increased building activity would be of direct benefit. The outlook is uncertain in the building industry, but Canada Cement Co. has come through 1930 and 1931 with an improved financial position which has increased the security of the bonds.

The company has kept its plants in good condition and during 1931 completed re-conditioning of the plant at Montreal East and overhauled plant No. 8 at Port Colborne, Ont., where changes were made that should result in more economical operation.

The 5½ per cent first mortgage sinking fund gold bonds of the company are due Nov. 1. 1947, and represent a first charge against the company's assets. The bonds were issued to the amount of $20,000,000 in November, 1927, and since that time $822,000, has been retired through operation of the sinking fund leaving $19,178,000 outstanding at November 30, 1931. Subject to priority of the first mortgage bonds, there is $20,965,400 of 6½ per cent preferred stock of an original issue of $21,000,000 made in 1927 and 600,000 shares of no par value common stock. There is also $900,000 of purchase money obligations now outstanding which comes due at the rate of $300,000 per year and which has been reduced by $600,000 in the past two years.

Payable in Three Markets

The bonds are obtainable in coupon form in denominations of $500, and $1,000 while fully registered bonds are issued in $1,000 certificates and multiples. Principal and interest is payable in Canadian gold coin at the Royal Bank in Montreal, Toronto, Halifax, Saint John, Winnipeg, Edmonton, Regina and Vancouver, or in United States gold coin in New York or in London, Eng., at par of exchange. The holder can therefor benefit by taking advantage of any variations in exchange rates.

A total of $30,000,000 of first mortgage bonds has been authorized of which $20,000,000 of series A bonds have been issued and $19,178,000 is now outstanding. The sinking fund began November 30, 1930, and is annual and cumulative. The sinking fund amounts to 2 per cent of the total amount of bonds issued in the first five years, or to 1934, and 3 per cent annually thereafter together with interest on bonds that have been redeemed. The trustee, Montreal Trust Co. can buy the bonds at or below the redemption price in the open market and if the bonds are not thus obtainable may redeem bonds by lot. The bonds are callable in whole or in part on 30 days' notice at 105 up to November 1, 1932; thereafter at 104 if redeemed on or before November 1, 1937; and thereafter at 103.

The security for the issue consists of a first mortgage and charge on all the company's real and immovable properties and a first floating charge on all other assets. These charges also cover interest in assets which may be acquired from time to time. Bonds of any future series may not mature before the series A bonds. Additional bonds can only be issued to the extent of two-thirds of the cost or appraised value, whichever is lower, of additional property and then only when average annual net earnings for the two years prior to issue of such additional bonds shall have been not less than twice annual interest charges on all first mortgage bonds of the company to be outstanding.

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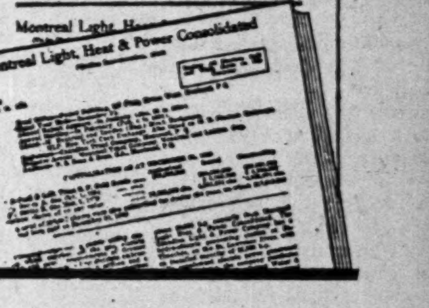
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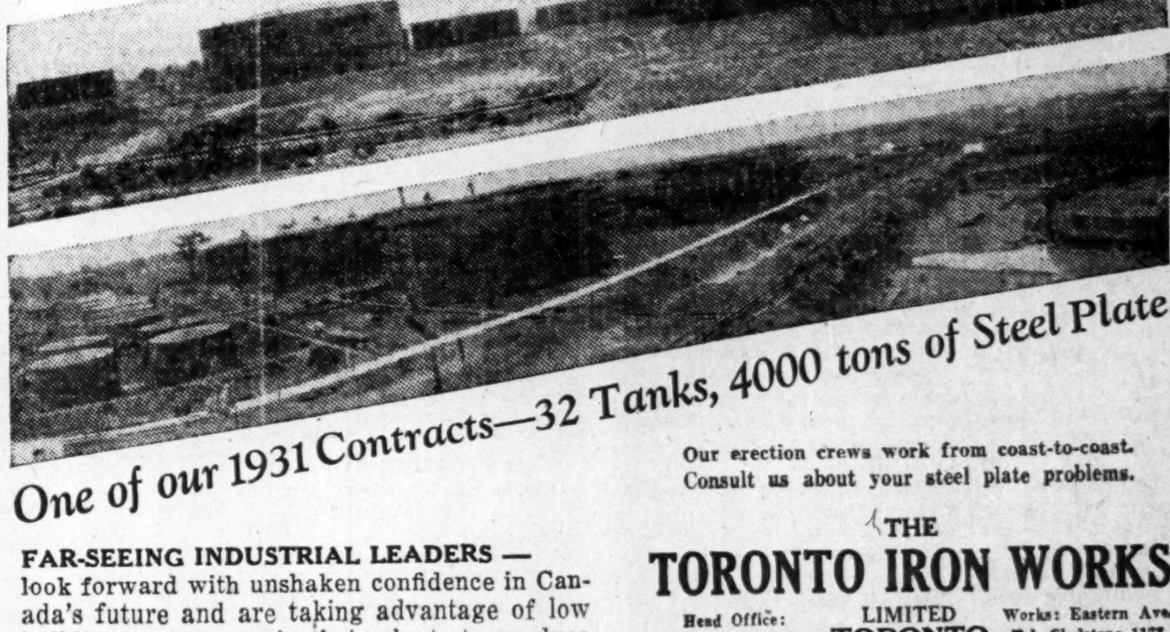
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TORONTO, JANUARY 30, 1932

EFFICIENT BUSINESS vs. GOOD POLITICS

THE FINANCIAL POST was challenged by the Ottawa Journal to indicate ways and means by which the government at Ottawa could reduce the cost of running the nation's business. The Post went to some pains to give a comprehensive and intelligent answer to the question although the articles that this paper has been running for several months have been specific enough in indicating wastes in all classes of government in Canada.

The Journal is not satisfied, does not feel that The Post has taken up its challenge.

Industries have cut their expenses to the bone. The Finnacial Post has quite properly suggested that governments should do likewise. In reply to this suggestion the Ottawa Journal makes this very significant remark: "A very wide gulf separates the business of running an industry from the business of running a democracy." The statement is, unfortunately, true in respect to some of the governmental units that go to make up our democracy in Canada. But it is tragic that it should be true in so many instances.

The biggest business in Canada is the business of government. No doubt the prime minister would admit that. Government should be run like a business with all the efficiency, the energy, the restless ambition checked by practicality, the broad humanity that characterizes every well managed, successful business enterprise. But some politicians have the idea that there is a fundamental conflict between humanity and practicality and so they shun anything sensibly or concretely business-like as undemocratic. They establish an imaginary gulf between good business and good politics. Clever phrase-makers on the editorial staffs of newspapers published amid the welter of political combat support them by withering sarcasm directed at business and business newspapers. Such, for example, as this quotation from the Ottawa Journal:

> "The great trouble with people like the editors of The Post is that they aren't practical. Hard-headed and hard-boiled as they profess to be, and posing as far superior to the rank and file of politicians, they are really children when they come to discuss political questions. They are still in the atmosphere of the counting room."

It may be that the Journal is disturbed by the possibility of a reduction in the civil service. This week C. H. Carlisle, retiring president of the Toronto Board of Trade said: "Political patronage rather than necessity has undoubtedly been the cause of the employment of many of this army of government officials. Large businesses with world ramifications are managed by very few men—why not governments?"

It is never a kindness to keep an inefficient man in a job which he cannot handle and to which he is not suited. The sooner he is dislodged, the sooner he will tend to find something that he can do profitably both to himself and his employer. Employers whether they be heads of government departments of executives of industrial concerns, will avoid causing unnecessary hardship. Keeping inefficient men on a payroll, however, is not kindness to these men and is distinctly unfair to the efficient men whose progress is retarded by the load of carrying unnecessary expense.

There may, indeed, and often is, a direct conflict between what is good business and what is good campaign material to win an immediate victory. But there never is and never can be conflict between efficient administration and the ultimate public good.

SERIOUS MINING vs. BALLYHOO

WHEN new mining areas open up for prospecting and exploration in Canada, the public, knowing what mining means in our economic life, is naturally delighted. There is romance and potential wealth in every new mining camp. Who knows how many millionaires will come out of the camp? Who knows how many people will lose, in either careful or injudicious speculation, more money than they can afford to lose? The camp followers of mining are as assorted a lot as the camp followers of Napoleon's armies. Sharpshooting stock-jobbers may be as numerous as geologists, ballyhoo artists as numerous as serious prospectors.

Something like that is going on now in connection with Great Bear Lake. The propaganda that is being put out on Great Bear Lake is enormous. "Another Cobalt!" "The world's greatest radium find!" "Millions in pitchblende!" Every word of it may prove to be true. But what the public should know is that every word of it has not yet proved to be true. Even the experts differ. Some of them, enthusiastic, have delivered their final summation: Great Bear Lake is a bonanza. Others, more conservative, say it's a great field for prospecting but that there are problems yet.

Great Bear Lake is promising. If The Financial Post has failed to join in the general ballyhoo about this new camp it is because it feels that ballyhoo has never done Canadian mining any good. Ballyhoo is not wanted by serious mining developers; it only aids the camp followers. The Financial Post will continue to publish all the reliable news and technical information available about Great Bear Lake. But it will not play propertyman to anyone wishing to set the stage for a tragedy of stock exploitation.

The silver and pitchblende finds at Great Bear Lake, Northwest Territories, have been placed in their proper perspective in an address by Dr. D. F. Kidd, of the Geological Survey of Canada.

The statements of Dr. Kidd elucidate in a clear and impartial manner the true developments in the area and strip the stories circulated by propagandists of most of their embellishments. The cold facts, as presented by Dr. Kidd, indicate that high grade silver is to be found in a few small lenses in some of the trenches opened up. The evidence of the presence of pitchblende, an ore of radium, is greater than heretofore discovered on this continent.

As developments stand after two summers' work, indications point to the area as a fertile territory for prospecting. It has been aptly described as a "Rich Man's Rush." For interests with ample financial backing it has a strong lure.

The only find on which development work has been done is on the holdings of the Eldorado Gold Mines, which has failed to publish a report to its shareholders and which refused to permit certain outstanding mining men to visit its finds.

In lurid statements, the finds of silver have been described as "another Cobalt." If ore equal in grade to the early Cobalt shipments were available, the present price of silver would not even pay the transportation expenses to the railway under current conditions.

The economic importance of the radium ore is yet to be determined, although all Canadians hope it lives up to promises. Radium production has in recent years been controlled by a strong financial monopoly, deeply entrenched, which has resources that have forced other world competitors to abandon their operations. To invade such a highly competitive market will require an abundance of rich ore and strong financial resources.

These obstacles are not unsurmountable, but they do present economic aspects that have not been given publicity by the propagandists. It is imperative that Canada's mineral resources be developed regardless of location, as these resources are of paramount importance to her future. Deception and misstatements are not conducive to legitimate exploration but only serve to fire the uninformed speculator with hopes that enable the promoter and market operator to take away his money in the guise of constructive development.

Already promoters have taken advantage of the propaganda and publicity which has been given the territory and this spring promises to see a determined effort to inaugurate a boom, premature in nature in the light of present indications. In the past this type of ballyhoo has had the effect of retarding legitimate development.

USERS SHOULD PAY FOR CANALS

AT THE present time the United States is endeavoring to induce Canada to go into a scheme for the construction of a deep canal down the St. Lawrence River. This canal when built, according to treaty arrangements between the two countries, will be opened freely to the traffic of all nations and a large proportion of the traffic will consist of the goods of American producers going into world markets. In view of this it is interesting to note from the report of Governor Burgess, of the Panama Canal, to the Secretary of War at Washington that the average vessel passing through the canal pays a toll of over $4,000. To date the operating profit on the canal has been over $125,000,000. Two-thirds of the ships going through the Panama Canal are foreign ships. Forty per cent of Canada's prairie wheat moved through the Port of Vancouver last year. Canadian producers making use of the Panama Canal pay a substantial share of the cost of operation of the American undertaking.

Wheat grown in the Middle Western States passes freely through the Welland Canal and would pass freely through the St. Lawrence Waterway.

There is another factor of importance to consider regarding the proposed St. Lawrence Waterway. It is that every dollar invested will impose a burden upon the profitable operation of our railways, including not only the privately owned Canadian Pacific Railway but the publicly owned Canadian National Railway.

Since the negotiations started for the construction of the St. Lawrence Waterway many changes have taken place. Some of these could not have been foreseen. Some of them were in the making. In the first place our Pacific ports have opened up as great shippers of grain. In the second place the Hudson Bay Railway has given us a new port in the north and while the value of this port is as yet doubtful it represents a very large investment to lower the cost of transportation of grain and other commodities. And Canada's financial situation has developed unsatisfactorily. The decline in prices has increased the real burden of our debts by more than two billions of dollars, and a general policy of governmental spending has added another large sum to the figure.

If the St. Lawrence is to be built, it should be built primarily for its power and then in economical stages as the power can be absorbed. The power should be developed by private ownership in order to avoid adding billions of dollars to our already too burdensome public debts. The waterway should be considered in the scheme but if it is built there should be a complete revision of our policy in connection with the operation of canals. A new treaty should be negotiated between the United States and Canada, providing for the imposition of tolls through all public canals in order that they may be completely self-supporting. The present system provides for a straight bonus by the general tax-paying public to the group of producers who are able to make use of the canal. The shipper who uses railway transportation is expected to pay the cost. Those who use the highway pay at least a substantial proportion of the cost through special taxation on motor vehicles. Those who use canals which involve huge investments of government funds, should also pay all operating, interest and sinking fund charges upon those investments.

NO SUPPORT GIVEN RAIL MONOPOLY

NEWSPAPERS are like public men in one respect, that they can never quite catch up with misunderstandings and misrepresentations regarding their published statements. Sometimes it is well to ignore such misrepresentation; on other occasions the public should be set right.

The Financial Post has been misrepresented in a number of newspapers as supporting amalgamation of the two national railway lines. The Post has never taken a stand for a railway merger; it has in fact expressed the opinion that such a merger will provide no solution of the country's railway problems and the record of many such consolidations in other lines of business is sufficient evidence upon which to base such a judgment. Yet the Winnipeg Free Press states in a recent issue:

> "The Financial Post, a representative business newspaper, thinks monopoly is poor business, particularly for the customers. Yet it shows no hostility to the proposition that the people of Canada and all the businesses of Canada should be put at the disposal of a railway monopoly."

There is plenty of room for coordination between the Canadian National and the Canadian Pacific short of a merger. Reasonable cooperation between the two lines is undoubtedly desirable and necessary. So much The Post has urged. But The Financial Post opposes monopoly in business and it is opposed to an outright amalgamation of the two leading railway systems of Canada.

BUSINESS LEADERS URGE COST-CUTTING

HEADS of our great financial institutions speak plainly today on the subject of cost-cutting by governments. Yet they show a disposition to recognize the accomplishments of those public bodies that have already begun to curtail expenditures.

At the annual meeting of the Royal Bank of Canada, the president, Sir Herbert S. Holt, said:

> "Expenditures by governments and municipalities have been excessive and the interest on our huge public debt constitutes a heavy burden on the people. There never was a time in our history when it was so necessary to avoid extravagance of every kind, and governments, federal, provincial and municipal, should follow the splendid example set by the British national government in reducing the cost of administration and balancing their budget."

At the annual meeting of the Bank of Toronto, W. G. Gooderham, the president, said:

> "A hopeful factor is the way in which many business concerns have met the situation by bringing their costs down to less than their income. The application of this principle to public affairs will go far toward correcting the situation.
>
> "The credit of this country and of its provinces and older municipalities, which has always been of the best, has in recent years become endangered by lavish public expenditures—public works, roads, education, railways, welfare schemes, and so on—all well enough and doubtless desirable, but extravagant and beyond the means of this country at the present time. Government and municipal officials, however, now appear to be impressed with the necessity for introducing economies. It is to be hoped that they will continue in this mind and that they will go all the way, and that in this effort they will have the full support of public opinion."

Leighton McCarthy, president of the Canada Life Assurance Company, said at the annual meeting of his company:

> "Our governments, federal, provincial and municipal, have at last awakened to the necessity for economy and thrift, and it is hoped will strictly practise it, and that our citizens will render every possible aid in putting into effect policies of the strictest economy and thrift."

POST-scripts

GOVERNMENT figures covering the textile industry in Canada for 1930 indicate that father is getting more wear out of the old suit than mother is getting out of her dresses. Value of production of men's clothing fell off 20 per cent from the 1929 figure but women's clothes fell off, or rather production fell off, only 7 per cent. The situation is probably more clearly reflected in the mirror—like surface of men's trousers than anywhere else.

PER capita consumption of tobacco and beer in Canada has more than doubled since Confederation, while the per capita consumption of spirits has decreased by 70 per cent, according to the current edition of National Revenue Review. In the fiscal year ended March 31, 1931, annual consumption of tobacco, per head, amounted to 4.02 pounds, the heaviest for any year recorded, while the highest consumption occurred in 1870-80, when it totalled only 1.03 pounds per head. Revenue derived from Excise and Customs duties on tobacco in the last fiscal year amounted to $4,31 per head. The heaviest per capita consumption of spirits since Confederation occurred in the fiscal year ended June 30, 1874, when it totalled 1.99 gallons, while the lightest consumption occurred in the year 1922-23, when it reached only .22 gallons per head.

In the fiscal year just ended, consumption of spirits was .32 gallons per head. Revenue derived from duties on spirits reached its highest per capital mark in 1928-29, when it totalled $4.48. In the last fiscal year revenue derived from duties on spirits amounted to $2.99 per head. The heaviest per capital beer consumption occurred in the fiscal year 1913-14, when it reached 7.20 gallons, while the lightest per capital consumption occurred in 1869-70, equalling only 2.16 gallons. In the last fiscal year beer consumption amounted to 5.92 gallons per head, and revenue derived from duties to .44c. per head.

Wine consumption, which has never been heavy in Canada, reached its highest per capita consumption in the fiscal year 1873-74, when it amounted to .29 gallons. In 1918-19, wine consumption reached the low mark of .03 gallons per head. In the last fiscal year it amounted to .10 gallons per head, and the revenue derived from duties equalled .09c. per head.

THIS will be a year of centenaries. Across the border great plans are under way to celebrate on February 22 the 200th anniversary of the birth of George Washington, author of the memorable phrase "Life is just a bowl of cherries." The Norwegians may work up a thrill over remembering that Bjornsen, their No. 1 author, was born one hundred years ago. The British have lots to remember this year. January 22 was the centenary of the birth of Charles L. Dodgson, who wrote "Alice in Wonderland" under another and more familiar name. In 1832 were born also Earl Roberts, Sir Edwin Arnold and Lord Chief Justice Russell.

Two hundred years ago Arkwright who invented the spinning jenny and thus started all of Lancashire's present troubles and Warren Hastings, who made Burke famous among school boys, were born. The first threshing machine was invented by Menzies in 1732. Shareholders of Massey Harris, who paid 96 for their stock, probably do not feel like celebrating this year.

Three hundred years ago Samuel Pepys came on the scene as did John Locke, philosopher, and Sir Christopher Wren, greatest of architects.

This year will see the 700th anniversary of the founding of the first commercial company in England, the Steelyard society.

But a more memorable anniversary than any of these is to be recorded. It was just 1500 years ago that one of the famous Scotsmen of history, Patrick, by name, established Christianity in Ireland. For some reason the Scots have never seemed very proud of this achievement. Thousands of Irish babies are named Patrick or Patricia every year but who ever hears of a Scot being called Patrick? Some authorities state that Patrick was born in the south of England.

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

BRITAIN'S POSITION

A SURVEY of Britain's present position and an outline of the policies the Federation of British Industries considers desirable at the present time has just been issued by the F. B. I. The broad outlines of the policy are as follows:

> "(1) A new spirit of economy in our internal government, covering administration, taxation and expenditure, with the object of restoring the competitive efficiency of the country.
>
> "(2) A new fiscal system.
>
> "(3) A financial, monetary and investment policy mainly directed toward the restoration of industry and to the development of markets for British goods."

In urging economy the F. B. I. points out that the crushing load of direct taxation has stopped the accumulation of capital.

The F. B. I. considers that the new tariff policy should be designed to permit reorganization of home industry; to extend Empire preference; and to permit tariff treaties that will break down foreign barriers. A tariff board should be appointed and in the meantime a temporary ad valorem tariff with a free list should be imposed.

The F. B. I. warns against resumption of any international monetary standard until there is assurance both that it will serve Britain's industrial needs and that the rules of the game will be observed by other nations. An Imperial Monetary Conference to work out an Empire currency and monetary policy is suggested.

The Imperial development policy, based on preferences and currency co-operation should be aided by conscious direction of investment, it is declared, and all British investments should be directed to potential markets.

PRESSURE IN FRANCE

POSTPONEMENT of the Lausanne conference further freezes the stalemate in the world's economic situation and ensures that a war debts remedy for trade paralysis is not to be found for some little time yet. Yet conditions may be no worse than if the conference had been held as scheduled. There was no evidence that conflicting views on reparations and war debts had been sufficiently reconciled to have permitted any concrete results. It was better to postpone the conference than to hold it and have it fail.

Affairs are moving resistlessly to the ultimate goal of a writing down of reparations and war debts. What is going on behind the scenes is more important than what is being said for public consumption. Authoritative commentators forecast a financial crisis in France soon. This may bring on a political crisis and a change of leaders. France's present determined stand for the maintenance of the existing fictions is likely to be modified by pressure from within. The reparations-war debts outlook is not as hopeless as it appears on the surface.

Public Spending Needs Deflation

The Guaranty Survey, New York

It is obvious that public authorities in many, if not most, localities are face to face with a dilemma. To increase tax rates at a time like the present not only imposes an added burden on business but is politically inexpedient. On the other hand, conditions are unpropitious for new borrowing; and many local governments have borrowed so freely in recent years that to issue more securities now would be literally impossible, regardless of market conditions. In the meantime, humanitarian appeals must be met.

It may be conceded that many authorities are now making strenuous efforts to effect economies. Nevertheless, public officials in general have been slow to recognize that the huge deflation that is taking place throughout the financial world necessitates a corresponding deflation in the costs of government. Even where the urgent necessity for balanced budgets is fully realized, there is still a tendency to effect the balance by means of higher tax rates, rather than by severe limitation of expenditures. In some instances, it will be found that much heavier sacrifices than are now considered feasible will be required.

The problem, in the last analysis, is one for the people, as well as for the public authorities, to face. The latter maintain, and often with justice, that both higher taxes and curtailed expenditures are politically unpopular and that an administration that refuses to accede to extravagant popular demands will be displaced by one that will. Where such a situation exists, the people must be individually impressed with the fact that every dollar spent by their government must necessarily come from their own pockets, and that postponing the day of reckoning only makes conditions worse.

It is hazardous to draw sweeping conclusions regarding a situation that varies so widely in different localities. But it may be said without fear of over-generalization that the public indebtedness already incurred has imposed upon the people of this country, as well as others, a tax burden that will continue to impede economic growth for many years to come. A general acceptance of the necessity for an abrupt reversal of fiscal policy will greatly facilitate the solution of the problem.

In the Mail

Alternative to Dole

Editor, The Financial Post,

I have been reading your many articles in recent issues of your paper urging economy in dominion, provincial and municipal governments, and a discontinuation of work being done to relieve unemployment.

Everyone agrees that the cost of government in this country is excessive, considering the total population, but that is the fault of the system. The budgets will have to be balanced and budgets can be balanced.

I cannot understand your attitude towards unemployment relief. No doubt we are mortgaging our future to pay off the amount of money now being spent upon works not absolutely essential, but so far, you have not given your readers any alternative proposition whereby men temporarily out of work will receive a living.

You have stated that there are construction programmes under consideration by private organizations, who are hesitating because of high taxation, which would provide work and help to create a flow of money through various channels. Such work would be done in the larger cities and the total amount could not possibly absorb all the unemployed in the cities concerned. Would a building boom in Toronto help the unemployed in Haileybury? Only local work will help our workers.

Unemployment insurance is undoubtedly the surest means for a man to provide himself with a fund to take care of those days when he finds himself without work through economic causes. But to be effective, it must be in force for some time and not subject to abuses which have occurred in other countries enjoying this system. It is out of question for Canada to adopt this to relieve the present situation.

Those of us who are fortunate in having incomes and steady employment are in duty bound to assist our less fortunate neighbors during these times of distress. If the system is under government control we shall contribute according to our ability to pay by taxation: if under a central organization it will be by donation. Under the former system the country will benefit by new roads, etc., but the latter is only charity.

What is the alternative so that each man now out of work may receive a bare living? I feel that you should supply the answer, if you persist in critizing the method now used.

S. J. MASON.

Haileybury,
Jan. 20, 1932.

Supports Economy Campaign

Editor, The Financial Post,

Your efforts are most excellent, and it is sincerely hoped that good results will follow. There comes a time in the life of nations, as in individuals, when serious thinking and common sense should dominate our actions. I cannot earn $2,500 a year and spend $3,000, eventually coming out on top. That is what our governments, federal and provincial, have been doing for many years. It is all very pretty, the government is good for it, and behind the government is the taxpayer, so don't worry, a few hundred millions here and there is nothing to disturb our slumbers.

Is it not a strange thing that the men we choose to be our guides and guardians, guiding us into the way of prosperity, guarding our assets, developing our resources, imposing our taxes, constructing our tariff walls, negotiating our commercial treaties, should be the men who—seemingly—never consider debit and credit.

If Maritime Union or Union of three Western Provinces is suggested for economical reasons, it is the M.P.P. who opposes it with all his strength. There are some exceptions, of course, but not many.

Another unfortunate feature of today's conditions is a very partisan press. We never can get any assistance from that element.

I wish to congratulate you, Mr. Editor, on your reply to the Ottawa Journal in your issue of January 9, one of the weakest attempts to uphold extravagance, it has been my privilege to read. Perhaps it is due to the fact that Ottawa, the home of Civil Service, must not be disturbed.

FOR ECONOMY.

Moncton, January 20, 1932.

Scheme to Reduce Debt

Editor, The Financial Post,

It is pleasant to get into debt sometimes, better still to get out. I heard a suggestion the other day as to Canada reducing her debt which seems to me good enough to ask you to discuss and analyse it. I am no financier, but if the suggestion is feasible and good, why not?

This is the suggestion. Many Dominion of Canada bonds can be bought on the market today at 90 or thereabouts. Why not have Canada issue some millions of new currency, paper money, and with it buy up such bonds? It may be said this is inflation, that there will be nothing behind the currency. Well there is exactly the same security behind the currency that is behind the bonds. And for the country to owe $90 without interest is certainly better than to owe $100 bearing interest. Who says Canada can not cut her fixed interest charges?

EXPERT DEBTOR.

Vancouver,
Jan. 18, 1932.

Editor's Note: "Expert Debtor" might go one step further and explain how the $2,000,000,000 of new currency is to be put into circulation, and, once in circulation, how it is going to be kept there. Government bondholders can ask for the redemption of their bonds until they fall due. Has "Expert Debtor" ever heard of assignats, continental currency, roubles and marks?

Protecting Income

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Fleischmann's Bakery Products • Fleischmann's Yeast for Health
Magic Baking Powder • Gillett's Lye • Royal Yeast Cakes
Chase & Sanborn's Tea and Coffee

ONE HUNDREDTH ANNUAL REPORT
OF
The Bank of Nova Scotia

CAPITAL PAID UP - $12,000,000
RESERVE FUND - - $24,000,000

PROFIT AND LOSS

Balance December 31st, 1930	$ 534,830.98
Net Profits for year, losses by Bad Debts estimated and provided for	2,579,802.29
	$3,114,633.27
Dividend for year at 16% per annum	1,920,000.00
Dominion Government Tax on circulation to December 31st, 1931	120,000.00
Contribution to Officers' Pension Fund	115,000.00
Written off Bank Premises Account	400,000.00
Balance carried forward December 31st, 1931	559,633.27
	$3,114,633.27

GENERAL STATEMENT AS AT DECEMBER 31st, 1931

LIABILITIES

Capital Stock paid in		$12,000,000.00	
Reserve Fund		24,000,000.00	
Balance of Profits, as per Profit and Loss Account		559,633.27	
Dividends declared and unpaid		482,204.00	
			$37,041,837.27
Notes of the Bank in circulation		12,702,832.75	
Deposits not bearing interest	$ 34,975,949.04		
Deposits bearing interest, including interest accrued to date	168,471,010.62	203,446,959.66	
		216,149,792.41	
Balances due to other Banks in Canada		2,313,789.44	
Balances due to Banks and Banking Correspondents in the United Kingdom and foreign countries		1,987,647.80	
Bills Payable		187,405.43	
			220,638,635.08
Letters of Credit outstanding			4,606,871.69
Other Liabilities not included in the foregoing			209,111.03
			$262,496,455.07

ASSETS

Current Coin	$ 9,245,968.87
Dominion Notes	13,536,015.75
United States and other foreign currencies	1,479,051.92
Notes of other Banks	913,157.96
Cheques on other Banks	8,857,999.70
Balances due by Banks and Banking Correspondents elsewhere than in Canada	6,408,657.12
	40,440,851.32
Deposit in the Central Gold Reserves	2,000 000.00
Dominion and Provincial Government securities, not exceeding market value	37,233,330.87
Canadian municipal securities and British, Foreign and Colonial public securities other than Canadian, not exceeding market value	16,169,933.29
Railway and other bonds, debentures and stocks, not exceeding market value	9,779,162.75
Call and short (not exceeding thirty days) loans in Canada on stocks, debentures and bonds and other securities of a sufficient marketable value to cover	13,314,708.97
Call and short (not exceeding thirty days) loans elsewhere than in Canada on stocks, debentures and bonds and other securities of a sufficient marketable value to cover	4,669,654.78
	123,607,641.98
Other current loans and discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful debts	107,513,948.83
Other current loans and discounts elsewhere than in Canada (less rebate of interest) after making full provision for all bad and doubtful debts	14,586,191.95
Liabilities of Customers under Letters of Credit, as per contra	4,606,871.69
Non-current loans, estimated loss provided for	410,024.53
Bank Premises at not more than cost, less amounts written off	8,293,954.56
Shares of and Loans to Controlled Companies	2,696,391.72
Deposit with the Minister of Finance for the purposes of the circulation fund	566,102.33
Other assets not included in the foregoing	215,327.48
	$262,496,455.07

S. J. MOORE, PRESIDENT. J. A. McLEOD, GENERAL MANAGER.

Auditors' Report to the Shareholders:

We have examined the above General Statement of Liabilities and Assets as at December 31st, 1931, and compared it with the books at the Chief Office and with the certified returns from the Branches. The Bank's investments and cash on hand at the Chief Office and at the Toronto and Montreal Branches were verified by us at the close of business on December 31st, 1931. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

We certify that in our opinion the above statement discloses the true condition of the Bank and is as shown by the books of the Bank.

D. McK. McCLELLAND, F.C.A., of Price, Waterhouse & Co.
W. D. GLENDINNING, C.A., of Riddell, Stead, Graham & Hutchison.
} Auditors.

TORONTO, CANADA, 15th January, 1932.

The Week in Business

As Others See Us
No Special Omen for Recovery Yet

SEEING ourselves as others see us is always an interesting and usually a helpful experience, so we quote this week a few concluding paragraphs from a searching analysis of the Canadian situation written by Henry E. Hansen in last week's New York Annalist. After careful presentation of the difficult financial situation in which Canada finds herself as regards her U. S. obligations (which on account of federal and provincial debt obligations alone are shown to be $1,861,000,000 or 37 per cent of our total debt) Mr. Hansen concludes:

"Many of Canada's difficulties are the result of international readjustments. Foreign trade is so vital to Canada that a shutting off of markets is a serious affair. Her dependence on foreign markets is much greater than in many other countries. An unfavorable balance has accumulated. Tourist trade has not been sufficient to offset the unfavorable balance. The picture at the end of 1931, however, is not as black as at the beginning. Exports have finally caught up with imports and the large discount of the Canadian dollar in terms of United States currency is a factor in favor of maintaining this relationship. Tourist trade should also be stimulated by depreciation of the dollar. Imports into Canada will be retarded for the same reason.

"Tariff regulations in various countries have influenced Canada's foreign trade. An artificial regulation such as a tariff interrupts the smooth-working capital movements and balancing of international payments. Canada during 1931 increased her own tariffs on many products, being forced to do so by the high tariff of the United States. With a closer co-operation of the various dominions in the British Empire and by trade treaties, Canada may in the future be able to compensate herself for the loss of trade because of high United States tariffs."

* * *

AN EVEN more comprehensive summary of the Canadian outlook as seen by economists across the border was recently made by the Brookmire Economic Service who also look to a resumption of foreign trade to augur recovery in this country and who lay special stress on the 1932 wheat crop and the price at which it can be sold.

Their summary concludes as follows:

"Canada's normally favorable balance of international payments has been upset by world depression in general and a slump in wheat production and prices in particular. In 1932, a further decline in tourist receipts is likely to increase the difficulty of meeting interest payments; gold must be conserved to build up the monetary stock; merchandise exports will probably be poor until the fall; thus threatening a more unfavorable balance than in 1931. At present, among the credit items, only tourists' receipts are large enough to contribute much toward the payment of interest and dividends on foreign debts. The Canadian dollar has apparently not yet stopped depreciating, as even the credit on tourist account is contracting and gold reserves are small. If the larger potential wheat crop and higher prices materialize next year, a definite turn for the better is possible."

* * *

ALL this seems to be a not very pleasant but nevertheless accurate as a statement of what may normally be expected to happen during 1932, but gives no clue as to the possibility of any special factors coming into the picture to help the business situation. In 1922 and 1923 a construction boom and the very rapid upswing of the automobile industry were the two factors most largely responsible for a return of prosperity yet we wonder how many prognosticators in 1921 and 1922 foresaw these two as the key to unlock the bars of depression.

Will business history repeat itself and produce from somewhere another "open sesame" to recovery or will we have to travel the long upward road through gold and price readjustments and through the welter of tariff barriers and international financial hurdles without any specific stimulus?

Business Conditions in Canada

"ROLL YOUR OWN" GAINS IN FAVOR STATISTICS REVEAL

'31 Consumption of Tailor-Made Cigarettes Off 9.6 p.c.

The "roll-your-own" cult is apparently gaining disciples among cigarette smokers in Canada, if figures issued by the excise division of the Department of National Revenue may be taken as an indicator.

This department issues monthly a report of the number of cigarettes and cigars and the amount of tobacco entered for consumption during the month, and an analysis of the figures for the past two years made by The Financial Post shows that Canadians have smoked less and less tailor-made cigarettes for the past two years.

Thus, the number of "coffin nails" consumed last year, while running into the respectable figure of 4,533,664,928, was 9.6 per cent less than in the preceding year and nearly 11 per cent under the record set in 1929, when 5,083,000,000 went up in smoke. Cigars also lost in popularity, the number consumed in 1931 being 151,749,405 against 183,273,000 in 1930 and 199,297,000 in 1929.

Cut and Plug Gains

Cut and plug tobacco consumption on the other hand has shown a gradual increase, rising from 20,928,382 lbs. in 1929 to 21,439,319 lbs. in 1930 and 21,792,462 lbs. last year. It would seem therefore that the ranks of pipe smokers and cigarette rollers are swelling at the expense of the cigar and cigarette manufacturers—though the chewers may also be partly responsible.

Comparison by months of cigarette consumption is given in the following table:

Cigarette Consumption In Canada

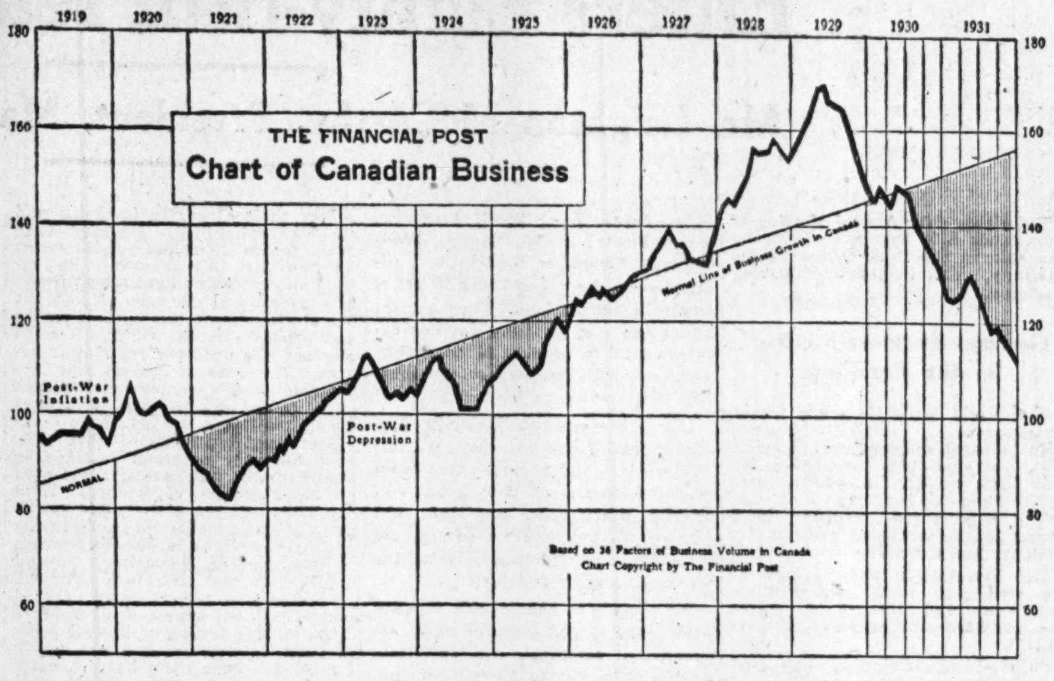
	1931	1930
January	319,633,640	333,665,555
February	327,823,730	276,024,720
March	349,799,515	341,647,360
April	382,303,630	342,138,000
May	382,982,975	651,377,380
June	430,343,420	435,145,366
July	474,643,070	529,590,070
August	425,338,980	477,256,940
September	371,387,190	484,127,940
October	344,956,140	438,515,450
November	355,716,768	401,175,589
December	369,235,870	326,147,670
Total	4,533,664,928	5,016,811,740

Butter Output Increases 15.8 p.c. in New Brunswick

Production of creamery butter in New Brunswick for 1932 was estimated at 2,413,901 pounds an increase of 15.8 per cent over that of 1930, according to Hon. E. A Reilly, minister without portfolio in the New Brunswick cabinet. Cheese production was somewhat lower being estimated at 496,261 pounds, while the production of ice cream in 1931 was 247,286 gallons.

Poultry continues to be a profitable phase of the agricultural industry in New Brunswick, said Mr. Reilly, and while eggs reached their lowest price level in many years, yet prices of poultry products remained relatively high when compared with the prices of other farm products. Lower prices for feed enabled poultry men to secure satisfactory net returns for their products, while poultry population of the province showed an increase in 1931 of 2 per cent over the previous year.

December Business 15 p. c. Below Last Year



Business in December 28 p. c. Below Normal

Gold Production and Automobile Output Make Gains in Month But Financial Post Index Drops Sharply

By SYDNEY B. SMITH

The physical volume of business in Canada in December stood at 14.6 per cent below the corresponding figure a year ago, according to The Financial Post Business Index compiled from 26 salient factors. The index slipped considerably from November, standing at 111.9 as compared with 115.1 the preceding month and 131.0 in December, 1930.

Looking at the present position of business in the Dominion in relation to the long-term trend it is found that we are now 28 per cent below the average or normal trend from 1919 to 1928 and that the present depression more than counterbalances the rise above normal achieved during 1928 and 1929.

Comparison With Past

In the sense that the decline from the peak in 1929 to the low point of December is greater than any previous decline of similar nature the present depression is worse than any other which has afflicted the Dominion. On the other hand, owing to the sharp upward slant of the long-term trend in evidence since the beginning of the century, the volume of production is considerably greater than in any of the previous major depressions. In July, 1921, the low point of the last major depression, the volume of Canadian output as measured by the business index was 83.4. In other words, the level of operations at the end of 1931 was still 34 per cent higher than in the low point reached in the primary post-war depression of 1921.

Gold Makers Gain

Compared with a year ago only five factors out of the 26 showed a gain, the most important of these being gold production. Operations in this line, favored by present conditions, have been aggressively extended. While Canada is favorably placed as regards resources of base metals, prevailing low prices and limited demand had brought about a curtailment in production during 1931. Owing to the considerable number of properties with large ore reserves facilitating the recovery of metal at relatively low cost, the Dominion stands in a favorable position to take advantage of economic recovery as far as base metal mining is concerned.

In the meantime gold production has acted as a stabilizing influence during a period in which most industries have been forced to curtail operations. Owing mainly to the expansion in the Kirkland Lake district and with the important contribution of Quebec, the Dominion now ranks second only to South Africa in gold production. Exports and receipts at the Mint in December amounted to 264,800 fine ounces compared with 215,100 ounces in November and 185,800 ounces in December, 1930. Copper and nickel were exported in greater volume than in November, the decline from December, 1930, being substantial.

Motor Car Situation

The output of motor cars at 2,432 in December showed a marked gain over the low point reached in the preceding month. Production during 1931 was at a very moderate level reflecting the trend of demand in domestic and external markets. Upon the restoration of confidence the automobile industry will be one of the first to show an expansion. The low levels of production have prevented the accumulation of inventories and in the meantime a potential replacement demand has been postponed awaiting the removal of uncertainty in regard to business conditions. After adjustment for seasonal tendencies the index of employment in the automobile industry was 81.3 at the first of January compared with 74.4 at the first of December, indicating that although operations are at a low level the gain in the working force since November has been greater than normal for the season.

Imports of crude rubber in December at 5,493,000 pounds showed a marked gain over the usual comparisons. The substantial purchase indicates that preparations are being made by the tire companies for a more active season. The gain over November after seasonal adjustment was more than 100 per cent.

Construction Disappoints

A disappointing feature of the month was the low level of construction contracts, the total dropping to $11,357,000 compared with $24,642,000 in November and $24,542,000 in December last year. While the value of contracts warded from month to month is an erratic factor due to the haphazard occurrence of large contracts, the severe decline in December is an unfavorable omen as to the trend of construction during 1932. The difficulty of obtaining long-term loans will tend to discourage the commencement of large projects in the early future.

Building permits were well maintained in December, a moderate gain after seasonal adjustment being shown over the preceding month. Unrevised statistics of building permits were $110,971,000 in 1931 compared with $166,379,000 in 1930, the decline after adjustment for price changes was 31.5 per cnet.

Partly reflecting the relief operations of the Dominion, provincial and municipal authorities, employment was nearly maintained in December after seasonal adjustment.

◇Despite a few gains, The Financial Post index of the physical volume of business stood at 111.9 for December, as compared with 115.1 the preceding month and 131 in December, 1930.

Immediate hopeful factors for 1932 are the steady movement of Canadian wheat to ultimate markets; the prospects for at least seasonal expansion in automobile plants and the continued upward trend in gold production which was the feature of 1931 industrial activity.

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Liquid Carbonic Canadian Corp.—successors to Canadian Carbonate Co. are completing the erection of a new factory at 4905 Dagenais St., Montreal. The new company will manufacture soda fountains and luncheonette equipment. J. R. Colby is president and R. L. Crysler is general manager and vice-president. The company has already established plants and offices at Toronto, Hamilton, Winnipeg, Edmonton, Calgary and Vancouver.

Allis-Chalmers Rumely Co. of Canada—a new Canadian subsidiary of Allis-Chalmers Manufacturing Co. organized to take over the six Canadian plants and properties of Advance Rumely Inc., located at Regina, Saskatoon, Edmonton, Calgary, Winnipeg and Toronto. At the present time the Advance Rumely Company handles the Oil-Pull and Rumely Six tractors, threshers and combines.

After January 1, Monarch and Allis-Chalmers tractors and smaller lines of farm machinery and implements, formerly made by the Allis-Chalmers firm, will be distributed.

Zonite Products Corp.—is establishing a branch factory at Ste. Therese, P.Q., to manufacture drugs and pharmaceutical products. The intention is to supply the company's British Empire market from the Canadian plant. The new plant will be completed and operating by April 1, and besides manufacturing Zonite products, it will also manufacture merchandise produced in the United States by both Forhan's Larvex Corporation and A. C. Barnes Corporation, both subsidiary companies of the Zonite Products Corporation.

Cedar Lining Co. of Canada—has completed a plant at Orillia for the manufacture of moth-proof clothes closet lining made of cedar. The finished product has for the last six months been shipped in from the United States and will now be made in Canada. The product consists of tongue and grooved cedar boards, cedar moulding and shelves. A. J. Taylor heads the Canadian firm.

Montreal Industrial Commission—announces establishment of a new fur dyeing company in Montreal which has moved to Canada from New York. The company has signed a 3-year lease for 3,000 sq. ft. of floor space on Lagauchetiere St. and will start operations May 1.

Selby Shoe Manufacturing Co., Ohio, has taken over the LaSalle St. plant of La Parisienne Shoe Co. at Montreal and will commence operations through a Canadian subsidiary in charge of S. J. Anderson manager of the Selby interests.

Canada Sand Papers, Ltd.—is a newly-formed Canadian company with headquarters and plant at Preston, Ont. It will manufacture all types of abrasive papers and cloths. A plant with 25,000 sq. ft. of floor space has been acquired and equipped. The company will be in charge of E. F. Stark, formerly associated with Abrasives Ltd., of Brantford.

IRON AND STEEL 1931 OUTPUT LOW

Iron Production 56 p.c. of 1930 Figure; Steel 67 p.c.

During 1931 Canada produced 420,038 long tons of pig iron, this being but 56 per cent of the output in 1930 and 39 per cent of that of 1929. The year's output consisted of 311,850 tons of basic, 80,892 tons of foundry, and 27,296 of malleable iron.

December production was lower than any other month excepting October, amounting to 13,862 tons, showing a decrease of about 3 per cent from the previous month, the difference being accounted for by a larger decline in output of the basic grade. Average monthly production in 1931 was about 36,000 tons, compared with 62,000 tons in 1930. Comparative monthly figures of production for 1930 and 1931 may be seen from the table appended.

Steel Also Down

The output of steel ingots and castings for the year totalled 673,087 tons, which is about 67 per cent of 1930 production and 49 per cent of that for 1929. The total was made up of 637,997 tons of ingots and 35,090 tons of castings. Output diminished steadily since March, closing at the low point of 20,969 tons for December. Average monthly production was approximately 56,000 tons as against 84,000 tons during 1930.

Following table shows comparative output by months in 1,000's of tons.

Iron and Steel Output In Canada

	Pig Iron		Steel	
	1930	1931	1930	1931
January	87	36	115	58
February	71	46	107	83
March	75	57	117	99
April	72	54	103	91
May	81	51	99	75
June	66	56	95	56
July	65	40	68	45
August	57	23	58	52
September	49	18	56	33
October	40	12	65	31
November	46	14	72	28
December	38	14	56	21
Total	747	421	1,011	672
Monthly aver.	62	36	84	56

Car loadings for the week ending January 16 totalled 39,778 cars, at which they were 2.6 p.c. higher than the previous week, but 9.5 p.c. below corresponding week 1931. Cumulative total this year at 78,562 cars is 1,750 cars or 2.2 p.c., lower than in 1931, despite gains in loadings of coal, coke, livestock, ore and pulp and paper.

Radio licenses issued to end of December in fiscal year ending March 31, numbered 548,342 as against 523,100 in the same period 1930-31, largest gains being recorded in Nova Scotia and Quebec. Manitoba, Saskatchewan and Prince Edward Island were the only provinces to show a decrease.

Canadian Business Indicators

Compiled Weekly by The Financial Post

	Weekly Latest		Cumulative Jan. 1 to date	
Transportation—	1932	1931	1932	1931
Car Loadings (Jan. 16)	39,778	43,963	78,562	80,312
C.P.R. gross earn. (Jan. 21) $	2,091,000	$ 2,752,000	$ 6,096,000	$7,757,000
C.N.R. gross earn. (Jan. 21) $	2,625,985	$ 3,120,037	$ 7,498,464	$ 8,943,547
	Monthly			
	1931	1930	1931	1930
C.P.R. net earn. Nov. $	4,774,625	$ 4,985,754	$ 24,087,291	$ 34,483,960
C.N.R. net earn. Nov. $	2,084,481	$ 2,074,415	$ 7,491,999	$ 25,778,062
Iron and Steel—				
Pig iron, tons (Dec.)	13,862	38,023	420,038	747,178
Steel, tons (Dec.)	20,969	53,936	673,087	1,009,578
Automobiles prod. No. (Nov.)	1,247	5,407	80,182	148,570
" exports, No. (Nov.)	480	2,663	14,236	41,653
Construction—				
Building Permits (Dec.) $	7,397,984	$ 15,440,281	$ 110,971,410	$ 166,379,325
Contracts (December) $	11,257,300	$ 24,542,300	$ 315,482,000	$ 456,999,600
Newsprint—				
Production, tons (Dec.)	165,173	184,755	2,220,775	2,504,146
Exports, tons (Nov.)	171,151	173,149	1,846,408	2,105,516
Sugar—				
Imports, raw, lbs. (Nov.)	70,656,900	62,352,200	752,021,400	769,699,400
Manufactured, lbs.*	124,419,989	108,558,920	920,519,572	876,818,072
Flour—				
Production, bbls. (Oct.)	1,693,925	1,868,575	12,510,606	13,679,945
Wheat, bbls. (Nov.)	476,487	792,271	5,245,914	9,328,660
Other Industrial Indices—				
Lumbering: Plank & board exports mill. bd. ft. (Nov.)	68.18	104.10	881.16	1,304.64
Boots & Shoes pr. (Nov.)	1,254,696	1,124,798	16,544,082	16,023,190
Petroleum, crude, gal., (Nov.)	93,140,000	74,970,000	955,549,333	942,393,131
Cotton, imp., raw, lbs. (Nov.)	15,451,000	15,786,000	83,373,602	88,140,000
Rubber, raw, imp., lbs. (Nov.)	2,761,273	4,766,980	51,089,470	61,475,499
Coal, imports, tons (Nov.)	1,414,082	1,571,487	12,506,644	16,396,942
Trade—				
Imports (December) $	40,289,795	$ 60,337,934	$ 628,133,576	$1,008,692,778
Exports (December) $	53,255,476	$ 66,819,668	$ 605,430,918	$ 885,906,366
Wheat exports, bus. (Nov.)	27,452,063	31,217,624	172,508,788	185,530,670
Labor—				
Employment Index (Dec.)	99.1	108.5	....	....
Electric Power—Output—				
M. Kilowatt hours (Nov.)	1,387,317	1,515,403	14,920,336	16,261,264
Finance—				
Failures, No. (Oct.)	226	216	1,807	1,941
Failures, Liabilities (Oct.) $	12,378,396	$ 4,017,101	$ 45,260,019	$ 40,565,515
Bank Debits (Nov.) $	†2,841,832	$ †2,973,627	$ †28,948,345	$ †34,479,077
Bond Sales (Dec.) $	815,760	$ 45,941,154	$1,243,738,939	$ 763,022,807
Insurance Sales (Dec.) $	47,163,000	$ 49,874,000	$ 489,312,000	$ 568,056,000
Automobile Financing:				
Used Cars (Dec.) $	989,197	$ 2,840,784	$ 21,054,235	$ 34,367,443
New Cars (Dec.) $	816,612	$ 612,978	$ 20,860,871	$ 28,610,731

*Four weeks' period Nov. 14 to Dec. 5.
†(000's omitted).

BUILDING IN 1931 AT 12-YEAR LOW

Preliminary Figures Show Value Half That of 1929

Preliminary figures of building permits issued by 61 cities for 1931 indicate that the year's aggregate value was the smallest since 1920, although this must be qualified by the fact that wholesale prices of building materials were also considerably lower than in any year in the same period.

The unrevised figure for 1931 is $110,971,410, as compared with $166,379,325 in 1930 and $234,944,549 in 1929—the high record. The index figures for these years, based upon the total value of building authorized by these cities during 1920 as 100, was 94.8, 142.2, and 200.8, but against these must be considered the average indexes of wholesale building prices (1926 being 100), of 82.6, 90.9, and 99.0 respectively.

For December, permits issued had a lower value than any December since 1925 at $7,397,984. This compares with the November total of $7,992,815.

Building Permits Issued
—(000's omitted)—

	Permits Dec. $	Permits 12 mos. $	Index permits 12 mos.	Index prices 12 mos.
1931*	7,398	110,971	94.8	82.6
1930	15,440	166,379	142.2	90.9
1929	14,689	234,945	200.8	99.0
1928	16,095	219,106	187.2	98.1
1927	11,756	184,614	157.8	96.7
1926	11,509	156,387	133.6	100.0
1925	7,364	125,029	106.8	103.8
1924	6,463	126,583	108.2	106.7
1923	6,974	133,522	114.1	111.7
1922	9,517	148,215	126.7	108.6
1921	5,537	116,794	99.8	122.7
1920	4,844	117,020	100.0	152.4

* Unrevised figures.

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STEEL PLATE STEEL FORGINGS
STEEL CASTINGS
For Every Purpose
Hamilton Ontario

68th Annual Report
of
The Huron & Erie Mortgage Corporation
Presented in its customary understandable form
31st December, 1931
The Huron & Erie owns:
[Assets]

Government and other high grade bonds and debentures	$ 3,966,239.00
First Mortgage investments including interest due and accrued (spread over 6 provinces)	38,086,766.67
Huron & Erie buildings (seven cities)	2,168,802.99
Canada Trust Company Stock (Stock of a subsidiary company carried at below real value)	1,560,485.00
Loans on bonds	98,730.00
Real estate on hand— Farms $ 7,713.56 Cities (Ontario) 235,025.62	242,739.18
The assets of the People's Loan and Savings Corporation held as security for the amount still owing to The Huron & Erie	1,100,646.76
Cash at branches and in banks	582,287.02
	$47,806,696.62

The Huron & Erie owes:
[Liabilities]

To savings depositors	$10,085,507.46
To debenture investors	29,735,578.74
To shareholders for dividend payable January 2, 1932	100,000.00
	$39,921,086.20

Surplus Security

If from what we own	$47,806,696.62
—you deduct the amount we owe	39,921,086.20
—it is clear that The Huron & Erie can repay to depositors and debenture owners every dollar of their money and still have a surplus of	$ 7,885,610.42

The latter amount represents additional security for depositors and debenture owners who have FIRST claim upon every dollar of the Corporation's assets.
The foregoing presentation clearly indicates the position of this Corporation at the conclusion of its 68th year of successful operation.
This long and honourable record amply justifies the unhesitating confidence placed in this institution by the Canadian people.
The Huron & Erie
MORTGAGE CORPORATION
"Older than the Dominion of Canada"
Branches in Five Provinces
14 King Street East, Toronto. - London - Hamilton - Windsor - St. Thomas
Chatham - Winnipeg - Regina - Edmonton - Vancouver - Victoria
T. G. Meredith, K.C., Chairman of the Board
Hume Cronyn, President Maj.-Gen. Hon. S. C. Mewburn, K.C., C.M.G., Vice-President
M. Aylesworth, General Manager

SILK INDUSTRY GAINS FEATURE TEXTILE FIGURES

Output Registers Growth While Others Decline

INITIAL 1930 REPORT

Employment Drops in Cotton and Woollen Divisions Show Trend of Activity

From Our Own Correspondent

MONTREAL.—Continued expansion of the silk industry was a feature of textile operations in Canada in 1930. Though output of cotton and woollen goods, together with the number of persons employed in those divisions, showed declines, value of output and number of employees in the silk industry both recorded substantial increases. It should be remembered, however, that production of artificial silk is included in figures on the silk industry.

A preliminary report issued by the government shows that 1930 output of textiles and textile products in the aggregate showed a decline of 15 per cent from the previous year. On the other hand, output of silk, artificial silk and products was up 18 per cent over the 1929 figure.

Lower prices for silk goods and increased popularity of artificial silk were factors in the increased output of these materials. There have been noteworthy gains in the number of silk plants established in Canada in recent years, while large extensions have been made to existing artificial silk units.

Lower Commodity Prices

The drop in commodity prices should not be overlooked in considering textile output in 1930. Though output of textiles and textile products were valued at $361,814,733 in 1930, a decrease of 15 per cent, the industries were not as severely affected as this figure would indicate. True, the volume of textiles and textile products was materially reduced, but drastic declines in the value of raw materials, with the consequent shrinkage in the value of finished products, accounted for the greater part of the decrease in the value of production.

The yearly index of wholesale prices of fibres, textiles and textile products dropped from 91.3 in 1929 to 81.8 in 1930, a decrease of 10.4 per cent, a factor which should not be forgotten in viewing the 15 per cent decline in textile production in 1930.

Employment Gives Key

The number of persons employed in the industry, therefore, gives a better idea as to the extent of the recession experienced by the textile group. In 1930, total number of employees was 109,576, a decrease of 6,044, or 5.2 per cent from the previous year. Number of establishments was only five less than 1929, at 1,886

Gross value of silk and artificial silk in 1930 was $17,808,598, an increase of $3,332,000 over the previous year. Further, the number of employees engaged was increased by 1,021 to 5,393. Output of the cotton yarn and cloth industry was $29,542,887 lower than 1929, while the woollen yarn and cloth group showed a reduction of $5,831,560.

Dyeing Division Active

The report shows that industries manufacturing men's clothing were more severely affected by business conditions than those engaged in the manufacture of women's clothing. The dyeing, cleaning and laundry industry reported an increase in employment, indicating an increase in the volume of work done. Due to a reduction in prices, however, the value of production was about 4 per cent lower than 1929.

Imports Show Decline

Restricted activity of textile mills is reflected in lower importations but the effects of the tariff imposts, which only came into effect in November, 1930, can hardly be expected to find reflection in figures for that year. Imports of fibre, textiles and textile products were valued at $149,149,944, a decrease of 25 per cent from 1929.

Imports of raw cotton decreased 41,107,000 pounds to 109,625,000 pounds; raw wool, 3,926,000 pounds to 15,334,000 pounds, while woollen piece goods imports were down 3,936,000 yards at 19,531,000 yards. Unfortunately, comparative figures on cotton piece goods, on a yardage basis, are not available, imports of 92,243,000 yards in 1930 only being reported. Future comparisons will afford an interesting illustration of the effectiveness of existing tariff regulations.

Reflecting the increased demand for silk goods, imports of raw silk and artificial silk piece goods were higher in 1930. The former increased by 304,266 pounds to 1,915,000 pounds and the latter by 6,673,000 yards to 24,602,000 yards.

Carriage Factories is Still Liquidating

Carriage Factories Ltd. (and reduced) which is in process of liquidation had current assets of $12,960 and current liabilities of $8,715 at July 31, 1931. No annual statement has been published and no annual meeting has been held since it was not considered by directors that it was worth the expense.

Investments of the company are carried at book value of $137,903 and goodwill at $1,360,981. The company has not operated for some time and physical assets have been disposed of. In addition to current liabilities there remains $988,380 of $85 par value preferred stock outstanding and $1,200,000 of $100 par value common. Deficit account has been reduced to $680,251 from $683,017 the previous year.

Net income in the past fiscal year was $5,979 and $3,213 was written off investment account. The latter consists largely of stock in Canada Carriage & Body Co. and $39,300 of income debenture stock. Cash position has improved and accounts payable have been reduced.

Agriculture Leads Primary Industry

The five great branches of primary industry in Canada, as measured by the latest available statistics for the value of production are: agriculture, forestry, mining, electric power, and fisheries, and the net production of the first-named was greater than the other four combined and over 55 per cent of the total net production of all primary industries.

Canadians Invest $2,160 For $1,000 Borrowed

Despite Influx of U. S. Capital Supplanting British Investment, Canadians Still Own 65.3 p.c. of Industrial Capital

By KENNETH W. TAYLOR, M.A.
Associate Professor of Political Economy, McMaster University
(An Analysis Prepared for The Financial Post Business Year Book, 1932)

Total capital investment in Canada on January 1, 1932, is estimated to be $17,640,000,000. This compares with $17,265,000,000 a year ago, $16,733,000,000 two years ago, and $14,400,000,000 on January 1, 1926. These totals include all Dominion, provincial and municipal bonds outstanding, and actual capital invested in railways, public utilities, manufacturing industries, mining, wholesale and retail trade, and financial institutions such as banks, insurance, trust and loan companies.

They do not include capital invested in agricultural, nor capital invested in land or buildings not directly used in any of the above categories; that is, they do not include office buildings, apartments, hotels, institutions, etc. They do not include the capital invested in investment trusts, or other companies whose money is chiefly invested in other securities. Moreover, they do not include capital invested in public works paid for out of current taxation. To avoid dupleiation an amount has been deducted from government and municipal bonds outstanding to cover the public borrowings actually invested in railways and in hydro-electric developments.

Canada Holding Its Own

The table reproduced below brings out several points of interest. First, although large amounts of outside capital have been invested in Canada in the past six years, yet the proportion of Canadian to outside capital has more than held its own. In six years there has been a net increase of more than $1,000,000,000 in outside capital invested in Canada, but in the same period Canadian owned capital has increased more than $2,200,000,000. That is, for every $1,000 of foreign capital borrowed, Canadians have saved and invested in Canada approximately $2,160. In 1926 Canadians owned 65.3 per cent of their industrial capital; in 1932, 65.9. Of the total national wealth 79.5 per cent was Canadian in 1926, and 80.1 per cent in 1932.

A second important fact is that practically all the net increase in foreign capital has come from the United States. Large amounts of new British capital have come to Canada, but only a few millions more than the total annual repayments, redemptions, and repurchases. As a result the percentage of British capital in Canada has fallen from 13.7 to 11.3, while the percentage of United States capital has risen from 19.7 to 21.8.

U. S. Supplants Great Britain

United States capital is gradually supplanting British capital in Canada. From many points of view this tendency is to be regretted, but the reasons are not difficult to find. Our geographical situation makes it natural that we should borrow industrial and engineering techniques, financial and accounting systems, and styles, tastes, and fashions from the United States. Our economic patterns are much more like those of the United States than those of Great Britain. The borrowing of capital is a natural corollary to these facts.

Moreover, the United States is a rich but comparatively inexperienced foreign investor. Its large volume of surplus funds seeking investment abroad prefers the easy road to familiar and nearby fields, to the more difficult or less familiar situations that exist elsewhere. In 1930, for example, $400,000,000 or 70 per cent of all new British foreign investments were made in Africa, the Far East, and the islands of the Pacific, while 72 per cent of all new United States foreign investments were made in Canada or in Western Europe.

OWNERSHIP OF CAPITAL IN CANADA, JAN. 1, 1932
(Estimated for The Financial Post Business Year Book)

	(In Millions of Dollars)				
As at January 1, 1932:	Total	Canadian	Great Britain	United States	Other Countries
Government and municipal	4,390	2,994	509	882	5
Railways	3,280	1,560	887	801	32
Public utilities	1,940	1,413	63	426	38
Pulp, paper and lumber	1,100	517	54	473	56
Mining	1,000	565	115	301	19
Metal industries	1,100	760	51	286	3
Other industries	2,100	1,515	129	443	13
Trading establishments	2,100	1,855	78	162	5
Financial institutions	630	433	112	73	12
Total, Jan. 1, 1932	17,640	11,612	1,998	3,847	183
Jan. 1, 1931	17,265	11,396	2,053	3,784	197
Jan. 1, 1930	16,733	....	....	....	...
Jan. 1, 1926	14,400	9,397	1,984	2,835	184
Total National Wealth, Jan. 1, 1932	32,000	25,636	2,189	3,940	235
Jan. 1, 1926	26,000	20,677	2,172	2,917	234

	(In Percentages)			
As at January 1, 1932:	Canadian	Great Britain	United States	Other Countries
Government and municipal	68.2%	11.6%	20.1%	.1%
Railways	47.6	27.0	24.4	1.0
Public utilities	72.8	3.2	22.0	2.0
Pulp, paper and lumber	47.0	4.9	43.0	5.1
Mining	56.5	11.5	30.1	1.9
Metal industries	6.1	4.6	26.0	.3
Other industries	72.2	6.1	21.1	.6
Trading establishments	88.4	3.7	7.7	.2
Financial institutions	68.7	17.8	11.6	1.9
Total, Jan. 1, 1932	65.9%	11.3%	21.8%	1.0%
Jan. 1, 1931	65.4	11.8	21.7	1.1
Jan. 1, 1930	...	...	...	..
Jan. 1, 1926	65.3	13.7	19.7	1.3
Total National Wealth, Jan. 1, 1932	80.1	6.9	12.3	.7
Jan. 1, 1926	79.5	8.4	11.2	.9

TARIFF IMPOSTS CHECK IMPORTS SOCKS, STOCKINGS

Domestic Manufacturer Gets Larger Share of Market

From Our Own Correspondent

MONTREAL.—Effectiveness of protection afforded to Canadian manufacturers of socks and stockings by tariffs enacted late in 1930 is clearly illustrated in figures covering imports under this heading in the first six months of 1931. Total imports of socks and stockings made of wool, cotton, silk and artificial silk in the first half of 1930 were 939,767 dozen pairs; in the first half of last year these same imports totalled but 114,804 dozen pairs.

To some extent, lower demand on account of business conditions may account for the decline but a glance at the heavy imposts placed on imported stockings in the fall of 1930 indicates that it is well nigh impossible for the foreign manufacturer to compete in the Canadian market in certain lines and the wide drop in imports seems to show clearly that the Canadian manufacturer is now getting a larger share of the home market. Formerly about half the socks and stockings sold in Canada were imported.

High Specific Duties

The duties on this class of goods included a specific duty ranging from $1 a dozen in the preferential to $1.50 a dozen in the general. In addition duties that previously ran from 20 per cent to 27½ per cent preferential were raised to 30 per cent on socks and stockings of all kinds. Increases were also effected in the intermediate and general lists.

The duties were primarily aimed to stem the inward flow of cheap cotton stockings and comparative figures for the first six months of 1930 and 1931 show that the object has been achieved. Here are comparative figures covering imports of cotton socks and stockings for those periods; it will be noted that the Japanese manufacturer has been literally shut out:

(In Dozen Pairs)

	6 mos. 1931	6 mos. 1930
Total imports	9,005	353,522
United Kingdom	3,530	8,141
United States	1,059	126,575
Germany	3,182	12,642
Japan	2	176,614

Other Divisions Similar

The decline in other divisions is similar. Importations of silk stockings dropped from 21,529 dozen pairs in the first half of 1930 to 2,467 in the first half of last year. In wool, a factor which should benefit Penmans, Ltd., imports dropped from 276,010 dozen pairs to 95,925 dozen pairs; a decrease in shipments from the United Kingdom was chiefly responsible for this. Socks and stockings made of artificial silk imported in the first half of 1930 totalled 288,706 dozen pairs valued at $550,953; in the first six months of 1931 the figure was 7,407 dozen pairs valued at $21,732.

Despite the apparent increase in sales of Canadian manufacturers, the industry as a whole is not making much money. New plants have been erected in recent years which have greatly increased the total potential output of silk stockings and the resultant competition has brought down the margin of profit to a fine point.

Other Comparisons Unfeasible

As regards imports of other textile products, comparisons are hardly feasible since reports do not show the volume of goods imported in 1930. For instance, in the first six months of 1931 there were imported 2,845,572 pounds of woven cotton fabrics valued at $675,156. Figures show that in the same period of the previous year similar goods to the value of $1,559,721 were imported but the volume in pounds is not reported.

GUELPH CARPET OMITS DIVIDEND COMMON STOCK

Further Reduction Made in Preferred Stock Outstanding

From Our Own Correspondent

MONTREAL. — Directors of Guelph Carpet and Worsted Spinning Mills have deferred dividend on the common shares ordinarily due February 1 and covering the second quarter of the fiscal year. Previous payments of 25 cents for the first quarter was made on November 1, prior to which eight quarterly payments at the annual rate of $1 a share had been made. Preferred disbursements are being maintained.

Conservation of cash is the reason attributed to the dividend cut rather than any marked decrease in earnings. The financial position of the company is said to be much the same as it was at the end of last fiscal year, September 30, 1931, with a strong liquid position and no bank loans.

Redeems More Preferred

One change in the balance sheet, however, is the further reduction of the number of preferred shares outstanding. At the end of the last fiscal period there were outstanding $921,000 of 6½ per cent preferred compared with an original issue of $1,000,000; how many shares have been retired during the current year has not been disclosed.

Canada Life Assurance Company Enters Eighty-fifth Year in Strong Position

Mr. Leighton McCarthy, President, Makes Annual Address

The eighty-fifth Annual Meeting of the Canada Life Assurance Company was held in the Head Office of the Company, Mr. Leighton McCarthy presiding.

General Business Review By the President

The World Wide Economic Crisis, accompanied by practically a world wide political tension, prevailing in 1930, has continued throughout the year 1931, creating, I believe, more difficult conditions than we have ever before experienced, resulting in a Depression unparalleled alike in its intensity and extent.

The Investments and savings of the well-to-do have continued to melt away, and workers in greater numbers have continued to lose their jobs.

Political uncertainties, war and non-commercial debts, unbalanced budgets and excessive tariffs are the principal influences contributing to the prevailing economic and financial distress.

The Citizens of Canada have met these adverse conditions with pluck and determination not excelled by any other country. Business has experienced a general recession, and our basic industries, such as agriculture, dairying, lumber, newsprint and mining have correspondingly suffered. The Mining industry has had an offsetting advantage in the stimulus to the production of gold, and the newsprint industry has been considerably benefited by the profit arising from the premium on New York funds, as most of the Canadian newsprint is exported to the United States.

In Canada, but for those portions where there was failure due to drought, our crops have been bountiful. They were harvested in splendid shape, under very favorable weather conditions, at a lower cost than for some years past, but the return to the farmer was greatly less than in recent years, on account of the reduced export demand, with a consequent price level far below that of preceding years.

Likewise the dairying industry has suffered by a greatly reduced price level; also the livestock industry was less remunerative in 1931 than in 1930.

The marketing of our surplus wheat at satisfactory prices continues to be a problem of paramount importance, inasmuch as it affects the direct welfare of a large and important section of our people, as well as all our Trade and Industry. We find ourselves this year in very much the same position as last year. Although much has been written, said, published and planned in regard to this commodity, as well as to other world commodities, we yet remain in the same unenviable position as to what the future has in store for us, and "Nobody knows for certain at all!"

The endurance, fortitude and pluck of our Western farmer are indisputably proven. He has met the drought, low prices and depression with spirit and determination not to be permanently disheartened by setbacks which really are only temporary. This is the spirit which forms the most potent protection to Loaning Companies doing business in the grain-growing Provinces.

We have consistently for many years past strongly advocated and urged diversification in agriculture. We feel this year that events have amply justified our contention, so that we appeal with confidence to our Western farmer to increase his operations in mixed farming, poultry and dairy products which will not only give him a more diversified source of income, but will give him sustenance and a living off his farm. It should be recognized that agriculture must remain the basic industry of the Country, and that the land should create not only a surplus for sale but each farm from its own products should supply the sustenance of the individual occupant and family. I believe the record of production of the Western prairies since they were opened up warrants confidence in their continued fruitfulness, and that in the application of more intensive methods of diversified farming lies the possibility of a substantial increase in the population of these Provinces, which would prove a strong factor in their further development and in making profitable the systems of transportation and marketing which have been set up.

The Banks and Loaning Corporations on the whole have done everything possible to facilitate the requirements of the individual, and to prevent the dislocation of his activities. They have assisted the dependable conservative customer, and are not unduly pressing the well intentioned borrower.

The persistence of the Depression has forced the Chief Executive Officers of our Railways to change the views expressed by them last year, that they saw no reason for alarm; and has also forced our Government and our Citizens to give grave consideration to Railway affairs. It would now appear that the Railway situation will sooner or later require drastic remedial measures. The Railways seem to have been engaged in a destructive competition which it is now being recognized cannot be allowed to continue, and some form of co-operation must be worked out by which needless duplication of services will be avoided. In addition, our Railways have had to contend with lessened traffic and a growing and practically uncontrolled truck and automobile competition. It is gratifying to know that a Royal Commission has been appointed, and is now engaged in studying the whole subject of Transportation. They are to recommend measures for the guidance of the proper authorities in dealing with the matter. As I believe that a solution of this situation on a permanent basis is an absolute necessity for the future well being of the Country, I sincerely hope that this Commission will be successful in the great work it has undertaken.

The Banks and other Financial Institutions of this Country, speaking generally, are basically in a sound condition. There have been no failures of any Banks in Canada, and there has not been, nor is there any likelihood that there will be, any lack of Banking credit.

Canada still has tremendous natural resources and industries, Lumber, Pulp, Paper, Iron, Steel, Fisheries, Water Powers, Hydro Electric developments, Aluminum, Nickel, Gold, Silver, Cobalt, Zinc, Lead and immense tracts of fertile land. They remain unchanged and awaiting further development. It is natural resources, developed with intelligence and courage, that make a nation rich.

Our Governments, Federal, Provincial and Municipal, have at last awakened to the necessity for economy and thrift, and it is hoped will strictly practise it, and that our Citizens will render every possible aid in putting into effect policies of the strictest economy and thrift.

We Canadians should look forward with confidence, because our accumulated resources are infinitely greater than they have ever been, and our undeveloped wealth, which was once so largely a matter of speculation, rather than of proven fact, is now known beyond any doubt whatever to exist to an extent far surpassing the most optimistic estimates made in past years.

In considering the various phases of the economic setback which Canada has received, it is important to remember that they have arisen mainly from extraneous and not internal causes. Canada's position is fortunate in that she is the producer of raw materials which the world demands, and which can be produced in Canada at a low cost. Provided Canada exercises thrift and economy in expenditures, both public and private, she should be able to meet all her obligations at home and abroad.

I believe a warning should be sounded against an apparently growing impression that the decisions of one or more of the proposed conferences on the financial affairs of the world as a whole will open the door to immediate prosperity in all lands In my opinion, the likelihood of a new and greater world prosperity does not lie in the realms of finance or politics so much as in the intelligence and ingenuity brought to bear on the problems of interchange of goods and services by the manufacturers and traders of the different countries. It is an old saying that "Finance is the servant of Commerce," and I feel that the disturbed conditions of finance and exchange will settle themselves as ways and means are found to exchange more freely the surplus of each country's production and manufacture. There never was a finer opportunity for the building of a greater and better business structure, and the situation should appeal to the imagination and ingenuity of man. Finance will do its part, but with the agricultural, manufacturing, merchant and transportation leaders lie the wider opportunity and responsibility. I believe that the present generations are worthy of the responsibility imposed on them and capable of carrying it out.

Life Insurance and the Distribution of Its Benefits

Life Insurance Companies in the United States and Canada during the year 1931 will, it is estimated, have paid to beneficiaries of deceased policyholders the sum of one billion, ten million dollars; to policyholders as matured endowments, annuities, dividends and benefits to those who have become permanently and totally disabled, the sum of eight hundred and ninety-five million dollars, and as the value of surrendered policies, eight hundred and ninety-five million dollars.

Despite business depression, Life Insurance Companies, out of past accumulations and current receipts, thus will have dispersed to thousands of policyholders and beneficiaries during this year the huge amount of two billion, eight hundred million dollars. By far the greater portion of these sums is paid to families in which it is the only substitute for the provider. In other instances, it supplies a sum that tides over the period of shock, or perhaps provides a living income to the persons left behind. Its value also extends beyond the immediate concerns of the family. It is of importance to the state and the community, as an aid in sustaining those families which are its beneficiaries, who but for these Life Insurance payments might become burdens upon public and private charity.

The moral and spiritual values of Life Insurance, which prevents homes from being disrupted and which completes the education of children, far surpass any material measurement of its benefits. Whether these payments be to beneficiaries, to disabled policyholders, to those maturing endowments, or even to those so unfortunate as to be compelled to surrender their policies, they all vastly aid in sustaining national purchasing power, or in the liquidation of financial embarrassment.

These payments are made possible by reason of economy and thrift extending over a period of nearly ninety years of Life Insurance effort, resulting in the aggregate holding of policies in the United States and Canada to an amount exceeding one hundred and sixteen billion dollars.

Further, these disbursements have been made available, not by any financial magic, but as a result of the well devised plans and sound practice covering the administration of the business of Life Insurance, without any disturbance of the orderly progress of the Country's financial machinery and without weakening the financial structure, and also despite the business depression or the difficulties in the financial world.

These annual disbursements to policyholders and beneficiaries make the progress of Life Insurance a matter of national interest. In consequence, it is most gratifying to be able to announce that it is estimated that new Insurance in the sum of seventeen billion, seven hundred million dollars has been sold by the Companies of the United States and Canada during the year 1931. This is some thirteen or fourteen per cent. less than the volume of 1930, as of course Life Insurance has not entirely escaped the influences of the depression. The growth of Insurance in force has been slowed up to a certain extent by a decline in the volume of new business and by lapses or surrenders made necessary by shrinking incomes and business reverses of policyholders.

Stabilizing Power

Life Insurance Companies have met the test of this period in a manner which has demonstrated as never before their strength, integrity and absolute reliability. Looking back over years still fresh in our memories we find that Life Insurance has always successfully played a major part in supporting the economic fabric; it has allayed fear in the time of panics and ameliorated the shock of world war and the deadly effects of influenza. The present world wide depression and economic disturbance have caused a revision of values which has tested the Insurance Companies and demonstrated that they have not only rendered outstanding public service, but have emerged with increased public confidence. With the return of more favorable conditions, it is my belief that Life Insurance will continue to grow in service, in usefulness and in amounts beyond anything it has heretofore achieved. It presents a record which should inculcate in the hearts of all workers in its ranks a feeling of intense pride in their institution, and one which I hope will spur them on to greater effort.

Canada Life Progress

For our own Company, the past year, having regard to the exceedingly depressing and trying conditions existing throughout the whole year, has been reasonably satisfactory. The intelligent, well-directed efforts of our associates in the Field have paid for $116,048,075 of new assurances. The Company also sold annuities with considerations of $5,653,823, an increase of $2,459,514 over the annuity figures of the previous year. The result of the year's work, after deducting death claims, maturing endowments and other terminations, has been to increase our business in force to the sum of $1,029,758,735. I congratulate most heartily all the members of our Office and Field Forces in Great Britain, Northern Ireland, the Irish Free State, the United States, Hawaii, Newfoundland and Canada, and desire to express our appreciation of their splendid work. I leave it to the General Manager to speak more particularly with reference to it, and their contribution to our year's business.

It will be observed that our total net income from all sources was $50,939,334, exceeding by $5,422,887 the income of 1930.

The Company has made payments during last year of $25,584,206, under its contracts, in settlement of death claims, maturing endowments, dividends, annuities and cash values for surrendered policies, and of this amount $16,979,465 was paid to living policyholders. In addition thereto, the Company has loaned on policies during the year upwards of eleven million dollars, which means that the Company has distributed during the year 1931 upwards of thirty-six million, five hundred thousand dollars.

Twenty-five million, five hundred thousand of this is our Company's contribution to the two billion, eight hundred millions to which I referred before and which is distributed among beneficiaries who have lost their sole support, and also goes to the relief of the distressed and financially embarrassed. Truly, therefore, does Life Insurance demonstrate what a great aid it is to the maintenance of economic stability, and how much it contributes to the resilience of the nation, and also how it inspires confidence and faith, which are the leading forces which make for recovery and progress!

Surplus and Special Reserves

The Surplus Funds and Special Reserves of the Company are $8,170,995, after writing down securities by $1,753,422. These surplus funds you will observe include $3,481,500 payable to policyholders as dividends during the Company's dividend year ending in 1932, and $3,496,426 of unassigned surplus, the latter being an increase of $256,547. This reflects an encouraging rate of mortality, a wise selection of lives and satisfactory earnings from our carefully selected Investment Securities.

The question naturally arises regarding the effect on our Company of the present rates of exchange. So far as our reserves for policies payable in sterling are concerned, we hold both Sterling and Canadian securities, the latter of which, if changed to Sterling securities, would show us a substantial profit. This profit is subject to the daily fluctuations of exchange, and has not therefore been carried on to our balance sheet. As regards reserves to cover policies payable in United States dollars, we have on deposit there securities payable in United States dollars to more than cover the amount.

Investments

As has been stated on previous occasions, the policy of our Company, since its incorporation in 1847, has been, when investing funds, to seek in the main to attain ample security of high standard and quality, and not to be tempted through high rates of interest or expectancy of profit into speculative investments. The public generally and policyholders in particular are scrutinizing the investment methods of Life Insurance Companies more thoroughly than ever before. We are conscious that our stewardship is under strict review. Therefore I make a special point of assuring you that the traditions of the Company in the matter of our investments have been and are being adhered to, in so far as it is humanly possible so to do. This policy has carried us safely and proudly in the past through financial panics, periods of war and periods of epidemic; and once again it has enabled us to withstand the shock of the world's greatest economic disaster, and a consequent smashing of security levels and prices the most violent and widespread in history. There is no form of security which has not suffered depreciation, the so-called gilt-edge investments suffering with others. The depressed condition of securities in the last months of the year proceeded to a point where chaos was created, and where, in many cases, bid and asked prices on the recognized exchanges bore little relation to the intrinsic values. In other words, little value was placed on the ability and willingness to pay a bond at maturity; the price represented only what could be obtained in a market dominated by a desire for cash at any sacrifice.

We are presenting to you to-day a statement of assets and liabilities which shows many outstandingly good features, but I would emphasize most firmly the fact that the reserves for our liabilities are established on a basis which provides a greater margin of security for our policyholders than the Insurance laws require us to do, and that the assets have been entered at our book values, the total of which is lower than it would be if the values officially established by the Dominion Insurance Department had been used. We have also, as I mentioned before, written down securities to the extent of $1,753,422.

It is impossible to forecast at any time the future course of security markets, and at the moment there are too many pressing problems facing the nations to warrant any feeling of real assurance that the lowest price levels have been reached. We are living in an age which has seen some startling developments; and the end no man knows. In these circumstances, the question has arisen as to what our attitude should be towards continued distribution of surplus earnings in the form of dividends to our policyholders. We believe that our first duty is to safeguard our contracts against all eventualities, which means, primarily, protection of beneficiaries, and for this reason we intend, at maturing dividend dates, to reduce the amount distributed individually, the balance being retained in surplus account as a further reserve behind the assets and as an additional assurance to our policyholders that, if conditions do not improve, their interests will be the more fully protected.

Having regard to all the circumstances, our mortgage loan business, as a whole, is satisfactory. At the end of the year, on fifteen thousand, eight hundred loans, representing an investment of fifty-nine million, four hundred thousand dollars, we have been obliged to carry over unsold only one hundred and thirteen properties, with a book value of slightly over three hundred thousand dollars. Our Western Loan Organization has very creditably made sales of more properties than were foreclosed within the year. Our City loans, both in Eastern and Western Canada, in spite of adverse conditions, we are pleased to report, show over ninety-four per cent. free of any interest arrears.

Of the total invested on the 31st of December, 1931, sixty-five per cent. were loans on city properties and thirty-five per cent. loans on farm properties. Principal collections during the year were over three million dollars, or slightly in excess of five per cent. on our total mortgage investments, and of this sum one million, one hundred and forty thousand dollars was paid in reduction of the principal of city and farm mortgages in the Prairie Provinces. Total arrears of interest amounted to 2.03 per cent. of the amount invested, the major part of which is caused by the increased arrears of interest in Western Canada, due to the conditions there.

Low prices for agricultural products have naturally resulted in a slowing up of payments in connection with our farm mortgages in the Prairie Provinces. In addition, some of the southern areas suffered what was practically a third successive crop failure. The recuperative power of these Provinces has been in past years remarkably demonstrated; so we still have great confidence and faith in the ability of the honest and hard working class of Prairie farmer to surmount present difficulties. As our loans were made only after careful selection and valuation by our own trained Managers and Inspectors, a reasonable improvement in prices and a return of more normal crop conditions should be quickly reflected in reduction of interest arrears to nominal figures. As intimated in a previous address, we continue to create reserves from the income from these investments, and from these reserves each year we make appropriations based on the depreciated ability of individual borrowers to repay.

Conditions in the Prairie Provinces require the exercise of reasonable forbearance in the matter of collections, and some assistance by way of relief is given to honest and hard working borrowers. The attitude of lending Companies towards their debtors is worthy of much more commendation than is generally given, and in the West the formation of the Dominion Agricultural Credit Company, Limited, and the Colonization Finance Corporation, both intended to further the interests of better and more profitable farming, may have highly satisfactory results to the country as a whole. The creation of these organizations was made possible by the financial subscription of the Railways, Banks, Life Insurance, Mortgage Loan and Trust Companies, which is clear evidence that the best interests of the agricultural West are not being overlooked. At the same time, it must be recognized that the funds of our Institutions are the accumulations, and in many cases the small and difficult accumulations, of individual thrift, and that, if these monies are still to be made available to borrowers in any volume, it must be on definite assurance that there will be no default in their repayment.

Assets

Our Assets passed the two hundred million mark this year, and amount to $204,776,000. It is somewhat impressive to realize the strides that our business has made in the past seven years when one remembers that, in 1924, we were a Company with assets of only one hundred million dollars. I should like also to point out that the proportion of our bond holdings in the Government, Government Guaranteed and Municipal classes has been largely augmented this year. Over seventeen million of the twenty-five million dollars invested in bonds this year were selected from the classes referred to.

The average rate of yield of 5.80 per cent., while somewhat lower than last year, must, under the existing circumstances, be considered satisfactory.

New Head Office Building

We welcome you to-day to our new Workshop.

The architects and contractors lived up to their schedule. We took possession in the last days of March, and the move from the old Head Office building to the new was successfully accomplished.

The whole Executive staff and all employees of the Company are highly gratified with their new offices, which have fulfilled their most enthusiastic expectations, both in facilitating the carrying on of our operations and also from the standpoint of health. It is reported by those in charge of our Health Department that illness has been practically unknown among the staff since the move. This is attributed to the almost perfect prevailing health conditions, and the daily services rendered by the modern and well-equipped lunch room. It is needless for me to enlarge further upon this, as you to-day may, if you so desire, have an opportunity of viewing the building for yourselves.

London, England, Building

We have also to report that the additions and alterations to our London, England, office, the commencement of which I reported to you last year, are almost completed, and it is expected that the Company will occupy the new portions of the building by the end of this month.

I cannot close these remarks without expressing the gratitude of our Investment Department, Mr. Mitchell and myself for the invaluable assistance rendered by our genial Vice-President and Chairman of our Investment Committee, Mr. E. R. Wood, who has given unstintedly of his time, ability, sagacity and experience with reference to the matter of Investments.

Board of Directors

The following were elected Directors for the ensuing year: Leighton McCarthy, K.C., President; Herbert C. Cox, Chairman of the Board; E. R. Wood, LL.D., Vice-President; *A. E. Ames, C. A. Bogert, Arthur V. Davis, *Aime Geoffrion, K.C., B.C.L., J. A. McLeod, A. N. Mitchell, J. H. Plummer, D.C.L., *W. E. Rundle, *Hon. Charles Stewart, P.C., M.P., John Stuart, W. N. Tilley, K.C., *Rt. Hon. Sir Thomas White, P.C., K.C.M.G. (*Policyholders' Directors.)

UNIT. AMUSEMENT MUCH CONCERNED BY NEW TAX PLAN

Higher Admission Fees and Lower Patronage Might be Result

From Our Own Correspondent

MONTREAL.—Premier Taschereau's proposal to increase the amusement tax in the Province of Quebec is viewed with concern by those in touch with the affairs of United Amusement Corp. which operates a chain of 19 motion picture theatres in and around Montreal. The company is thought to be the largest exhibiting group in the industry in Canada outside Famous Players Canadian Corp.

Officials say that the proposed tax would bear heavily on United Amusement since it would necessarily mean an increase in admission prices at a time when the public is clamoring for reductions. The existing tax, it is said is largely absorbed by the company but such a policy could not be adhered to if the new tax is brought into effect. Any increase in the price of tickets would lead to a decrease in patronage, it is claimed.

Specific Tax Sought

To understand the situation it is necessary to review the taxes in force and those proposed. At present the tax on theatre tickets is 10 per cent. It is planned to abolish this and place a specific tax of 5 cents on tickets under 25 cents with another 5 cents for each additional 25 cents in ticket prices.

In this way the tax on a 10 cent ticket would be 5 cents as opposed to 1 cent in the past, an increase of 400 per cent while the popular 30 cent ticket, instead of being taxed 3 cents would carry a 10 cent impost. The relative increase in taxes on higher priced tickets of the larger down-town houses would be smaller.

Has Low Priced Fees

United Amusement Corp. caters largely to the suburban public and its admission prices for the most part range from 10 cents to 40 cents. Accordingly it is claimed that the company will suffer more heavily from the effects of the new tax than its larger confreres.

One individual in touch with the motion picture industry points out that lower admission prices have been the only way in which the smaller operators have been able to stem the decline in patronage. Attendance, in the case of United Amusement, is around 50 per cent lower than last year despite sharp cuts in admission prices and the company views with concern the proposed increase in tax which would be bound to call for increased ticket prices.

Earnings Were Lower

Net earnings of United Amusement Corp. in the fiscal year ended August 31, 1931, amounted to $417,728 compared with $517,287 in the previous year. After provision for various reserves and bond interest there remained a net profit of $184,355 or the equivalent of $2.48 a share on the common stock, against dividend requirements of $2 a share. In the previous year earnings were equal to $4 a share on the common.

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Balance Sheet Study For New Investors

Important For Beginner to Study Financial Statements of Companies Whose Securities He Desires to Buy

Whether a new investor desires to buy stocks or bonds of companies he will find himself in the final analysis obliged to depend on information given out from time to time by the companies themselves in the form of financial statements. The quotations given from day to day on stock exchanges do give him an idea as to the consensus of market opinion on the value of the securities which he is considering purchasing but he should be able to take the financial statements of the company for some years back and to read from them whether the company has been advancing in wealth or gradually falling back. That will enable him also to follow more intelligently the news given from week to week concerning Canadian companies by The Financial Post.

The balance sheet in a financial statement is a summary of all assets and liabilities of a company at a given date, generally the end of its fiscal year, and these totals are taken from various ledger accounts. The balance sheet is therefore designed to show clearly and concisely the exact financial situation of a company at the time when it is taken. Among the assets it shows first, as a rule, cash and banking balances and such assets as call loans, accounts receivable, bills receivable, securities held as temporary investment and inventories of finished goods, goods in process and raw materials, which will be converted into cash in the usual course of business. Such assets are called current assets .

Earning Assets

Then the balance sheet lists among the assets those of a permanent nature, known as "fixed assets," which are not for sale but which are depended upon for the purpose of earning income. These include buildings, machinery, land, equipment, investments in branches or subsidiaries. There are other assets such as "goodwill," "patents and processes," accrued assets, deferred charges, which will be defined at the end of the article, but which are not treated here at length as they are not so important as the two classes of assets mentioned.

Just as the investor studies carefully the current assets of a company so must he study just as carefully the "current liabilities," that is, the debts of the company which must be paid soon and from current funds. As a rule he may gauge the seriousness of these by seeing how many times current liabilities current assets are. This is ordinarily referred to as the ratio of current assets to current liabilities.

The difference between current assets and current liabilities is called the working capital of a company. Current liabilities usually consist of bank overdraft or loan, taxes, dividends, bills and accounts payable.

"Fixed liabilities" are the long-term liabilities which are payable over a considerable period of time and include bonds, mortgages. These must be considered in connection with the fixed assets so as to discover the net strength of a company. Also on the liability side appear various reserves in many balance sheets, reserves for depreciation on buildings, machinery and equipment, for depletion in the case of companies with wasting resources such as mining or oil companies, for bad debts, for contingencies and for many other purposes. The remainder of the liabilities side is generally reserved for the capital of the company and the surplus which it may have accumulated from profits in the course of operations, and which is naturally shown with the capital as belonging to the owners, partners or shareholders.

Good, Fair and Indifferent

To illustrate the importance of an understanding of these various items we give below three hypothetical balance sheets for comparative purposes:

Assets
Three Companies (000's omitted)

	A	B	C
Current assets:			
Cash	$1,000	$12	$1
Call loans	500	..	..
Bills rec.	8,000	113	58
Accts. rec.	3,000	87	11
Bonds	10,900	..	..
Inventories	1,000	280	111
	19,400	492	181
Fixed assets:			
Buildings	11,000	900	80
Mach. equip.	4,000	200	22
Goodwill	1	100	1,000
Total assets	34,401	1,692	1,233

Liabilities

	A	B	C
Current liabs.:	$	$	$
Bank loans	......	100	17
Bills pay.	2,000	87	57
Accts. payable	750	60	13
Divids. pay.	750	16	10
Taxes payable	120	34	8
	3,620	297	165
Reserves:			
Depreciation	5,000	100	...
Contingencies	2,000	...	...
Funded debt	980	500	...
Mortgage	...	...	21
Stock	20,000	400	500
Surplus	12,801	395	548
	34,401	1,692	1,233
Working Capital Position			
Current assets	19,400	492	181
Current liabs.	3,620	297	165
Working capital	15,780	195	16
Ratio	5.36—1	1.66—1	1.1—1

Liquid Assets Very Important

It is obvious at once that Company A has the strongest position. Not only are its current assets 5.36 times current liabilities but the company is strong in cash, in readily marketable bonds and in call loans which can be changed into cash quickly. On the liabilities side one notes that it has no bank loans, that it has set aside heavy reserves and that it has no liabilities which are not easily within its power to meet at once. That is true of the funded debt which it can pay off at any time.

Company B, not so strong in total assets, is also relatively weaker because its cash position is only fair. Though its current assets are 1.66 times its current liabilities it will be noticed that it must keep turning its inventories pretty constantly into cash to look after its bank loans of $100,000 and its bills and accounts payable of $147,000. In fact, it would appear conservative for it to stop paying dividends until it gets the bank loans lower in a time of business recession.

Company C shows current assets 1.1 times current liabilities, but what current assets? Its cash is low, its inventories are high, and it would have great difficulty in meeting its bank loans, bills payable and accounts payable in an emergency. When one notes as well how large an amount this company with its weak position gives for "goodwill, patents, processes, inventories," one has a suspicion as well that inventories may be valued too high and that bills receivable perhaps should have a large reserve for bad debts.

If the new investor found out that Company A was earning a large amount in excess of dividend or interest requirements, in addition to having this strong position he would buy the stock or bond with great confidence. He would feel somewhat more doubtful about Company B, but if he found on looking back for three or four years that the company had been showing improvement both in earnings and balance sheet position he would be inclined to treat its claims to his money with more respect. He would look upon stock or mortgage of Company C as an unattractive speculation.

Reserve for depreciation. Sum set aside over a period to provide against time when wear and tear obsolescence reduce value of fixed assets like buildings, machinery, furniture and fixtures to a point where they have to be replaced.

Accrued Assets. Income earned but not payable until a later date but which has a distinct value to a company.

Deferred charges. Payments made during one period which cover part or all of costs chargeable to another and succeeding period, for example, insurance premiums paid, rent paid, taxes paid, fuel costs paid.

Accrued liabilities. Charges such as wages, rents, salaries and interest not yet due but which already represent a real debt which will have to be paid.

Deferred Credits. Income received in one period but applicable to next period.

Deficit. The decrease in the original worth of a business due to losses.

Contingent liabilities. Transactions which at some time may involve paying money although there exists at the moment no liability in connection with them. Bills receivable discounted at the bank are an example.

Inventories. All goods on hand at a certain period whether raw materials, in process or fully manufactured and valued conservatively as a rule.

Can. International Investment Trust

A client holds some Canadian International Investments Trust preferred shares and I should like your opinion as to their merit as an investment. Would you kindly favor me with your opinion as to the class of security behind the shares, if known to you, and as to the present market value and rate of interest now being paid, if any?

Canadian International Investment Trust Ltd., follows the practice of issuing a semi-annual statement as at August 31 which supplements the annual statement for the fiscal year ending February 28. The latest report of the trust, for the six months ended August 31, 1931, showed some decrease in net earnings for the period as compared with the first six month of the previous fiscal year. The trust was able to earn bond interest 2.91 times leaving $3.43 available for preferred dividends of $2.50 paid during the period. The earnings record of the trust since its formation early in 1929 must be regarded as satisfactory in view of the difficult condition in investment markets which have existed. At August 31, 1931, the trust had investments carried at cost, less reserve, shown at $4,780,390. The market value of these securities as at the same date was $3,008,602, a depreciation from cost of some 37 per cent. At the present time, it would appear probable that further loss had been incurred.

Investments of the company were divided approximately as follows: comon stocks, 48.1 per cent; bonds and debentures, 30 per cent; preferred stocks, 15.9 per cent, cash and small loans—5 per cent. The list of securities held is not issued. Security holdings, however, are well diversified among various industries with greatest weight placed on public utilities.

Ranking prior to the $1,827,600 of 5 per cent preferred stock outstanding at August 31, 1931, there was $2,025,000 of 5 per cent first mortgage collateral trust bonds. Net current assets amounted to some $240,000 added to market value of securities at August 31, 1931, less the amount of 5 per cent bonds outstanding, would leave an amount equal to some $66 per share on the preferred stock outstanding.

The record of this trust is no worse than that of many others with respect to depreciation of value of securities held and is better than a good many. Given a general improvement in security prices based on industrial earnings, the trust would be able to take advantage of any upswing in prices. There is no demand for investment trust stock at the present time nor has there been during the past year. The preferred shares of Canadian International Investment Trust are listed on the Montreal Curb, where it is "pegged" at $50 a share. As a result there have been few sales made during the past year. The trust continues to pay 5 per cent dividends on the $100 par value per share.

Imperial Tobacco

As a reader of your valuable paper, I would be obliged if you would give me details of the corporate set-up of Imperial Tobacco Co. of Canada. When are dividends paid on the common stock and what was the amount of the last bonus distributed?

Capitalization of Imperial Tobacco Co. of Canada comprises $8,030,000, six per cent preferred stock, par value £1 and $47,255,160 of ordinary shares, par value $5. The company has no funded debt. A dividend of seven per cent or 35 cents annually is paid in quarterly installments on the common in March, June, September and December. At the end of each fiscal year, it has been the company's policy to distribute a bonus or final dividend. In 1929 this bonus was 10 cents a share. In 1930 the fiscal year was extended from September 30 to December 31, so the last financial statement covered a period of 15 months. At the end of this 15 months period, that is December 31, 1930, a bonus of 4 per cent or 20 cents a share was distributed. There has been no intimation as yet regarding the bonus which will be distributed for 1931; this will be revealed in the financial statement.

North American Trust

I hold some North American Trust shares. Recently two new series of shares were issued and are offered by the distributors as an exchange for the old one.

I would like to know if those two new series will affect the old one and if we have more guarantee in the new ones and if it is wise to make the change.

The two new series of North American Trust shares do not affect in any way the shares of the old series, although additional shares of the old series are no longer being created. The investment standing of your shares remain the same and services connected with them will be continued. It is expected that provision will continue to be made for semi-annual reinvestment from capital return in additional trust shares on a preferred basis. Providing that you are satisfied with the stock held in the portfolio of the first issue and the provisions of that issue, there is no reason why you should transfer your holdings into shares of the new series.

Since the original series was first issued, there have been various changes in investment trends and public demand for certain provisions lacking in the first series. Railway and oil stocks are not as highly regarded now as they were in 1929 and stocks have been dropped from the portfolio of the first series of which four are railway stocks and four are oil stocks.

While the two new series are more modernized in their provisions, this does not necessarily mean that there is any greater degree of security. The opportunity is offered, however, of exchanging from a fixed trust of the distributive type into the shares of fixed shares of the accumulative type. As to whether the latter type of shares are more suitable for your purpose, we cannot say.

Gt. Britain & Canada Investment

I have a $500 bond of the Great Britain & Canada Investment Corp. and in face of the present bond situation do you think I should trade, say into the gold stocks, or is my bond sufficiently well secured that I should keep it. I have been informed that I need have no fear about the interest being paid, but things do not seem to be getting better and it soon may be too late to make a favorable trade if thought necessary.

With continued decline in security prices, practically every investment trust has been adversely affected and improved earnings can only be expected to follow an improvement in general market conditions.

Great Britain and Canada Investment Corp. does not make a practice of issuing statements more than once a year nor are particulars of this firm's investment holdings given other than percentages showing the proportion of bond and various types of stock held and the geographical distribution of this investment. Until the next annual report is issued, it is impossible to state what the continued decline of the year has done to earnings and the investment portfolio but as at March 31, 1931, the $6,000,000 of 4½ per cent 30-year debentures outstanding appeared to be reasonably well covered both as to principal and interest.

Income of the trust in the year ended March 31, 1931, amounted to $557,214 as compared with $654,802 in the previous year. Interest on debentures amounted to $270,000 and was, therefore, earned twice over. While income will probably be lower in the current year, it would appear that the debenture interest would be covered. As at the above date, securities held for investment were valued at $11,098,569. This is book value and after taking into consideration the investment reserves the market value of securities owned showed a depreciation from this value of approximately 26 per cent. It is felt that there will be additional depreciation for the current year. The market for investment trust securities at the present time is decidedly weak and were you to sell, it is possible that you would have to do so at some sacrifice.

A number of Canadian gold producers are in an exceptionally strong position at this time and have or are increasing production with a resultant increase in earnings. It is made still greater by the sale of gold at a premium approximating the premium on United States funds. The yield to be secured on such an investment is considerably higher than you are getting on your Great Britain & Canada debentures.

Steel of Canada

Would you be good enough to give me your opinion on the present position of Steel Company of Canada? Is it in good shape and do you think its prospects are satisfactory?

One of the most encouraging factors in the situation surrounding Steel Co. of Canada at the present time, is the strong financial position which the company has managed to establish over a period of years. As you know, the steel industry is faced with restricted activity and earnings of Steel of Canada will likely show a marked drop for 1931. Since the company has entrenched itself so firmly it should have relatively little difficulty in weathering the current depression, and its widely diversified output and strong industrial position should enable it to go forward in the future. The common shares are well regarded, and the relative stability of the shares has been encouraging.

Payable Canada Only

I own $10,000 Dominion of Canada 5½% bonds due Nov. 1, 1933 purchased with United States dollars. Bonds are payable principal and interest in Canadian gold coin. Because of this I have always considered them just as good as if payable in U. S. dollars but now find that although I can get gold from the government in payment of interest coupons as called for by the bond I cannot take it out of Canada to my home in the United States. Had I forseen this I would have sold the bonds when the price was 105% in this country and reinvested in U. S.

Can any action be taken by me so that I can secure the interest and the principal when due without loss?

I own a block of Bank Nova Scotia stock and am glad to say that dividends up to date have been paid me in New York funds.

The Dominion of Canada, 5½ per cent bonds, due November 1, 1933, are payable only in Canada, and shipment of gold out of the country is not permitted except for payment of government and municipal obligations payable in New York. The fact that these bonds may be held by United States investors does not make any difference, since it is stated on the face of the bonds that payment is in Canada only.

Exchange rates between Canada and the United States may be back to par of exchange when the 5½'s of 1933 mature, but you could sell your 1933's and buy some high-grade Canadian bond, which is payable in the United States as well as in Canada, if you wished to avoid taking a discount on Canadian funds, at various interest dates. You would also have a bond that is more marketable in the United States and while at the present time such a bond will be selling lower in New York than in Canada you could hold until such time as exchange is stabilized at par.

While the 5½s of 1933 are selling some five points below the high point, attained in May, 1931, we might point out that this is less than that experienced on longer term Canadian issues. We are, of course, taking into account the Canadian quotations only, and are not considering change in values caused by exchange rates, which have affected all Canadian issues in terms of N. Y. prices.

Montreal Island

I have considered buying some common shares of Montreal Island Power Co. Will you give me what information you have on this concern, both as regards its operations and its corporate record?

Montreal Island Power has installed and in operation seven units in its plant on the Back River near Montreal, and is producing a minimum of 40,000 h.p., which amount is contracted for by Montreal Light, Heat and Power Cons. Plans of the company call for an ultimate development of ten units. Output in the first seven months of 1931 was 86,977,620 kw.h. compared with 63,080,000 kw.h. in the same period of 1930, a gain of 37 per cent, reflecting installation of additional generators.

Though the company has been producing for three years, no financial statement has been issued. This is due to the fact that virtually complete stock control rests between Montreal Power and Power Corp. of Canada. The fact that all power produced is sold on contract to Montreal Power is a satisfactory feature, but as yet, no dividends have been paid on the preferred stock. The company's shares are listed on the Montreal Curb Market, but they are not actively traded in.

Canada Steamship

Do you consider the outlook for the preferred stock of Canada Steamship Lines as encouraging? I hold some of the shares and am interested to know if they are likely to show improvement.

Improvement in the shares of Canada Steamship Lines is dependent on greater activity in transportation on the Great Lakes. The slow movement of grain to export markets has been a factor in reducing the company's earnings in the past two years, while the general decrease in freight and passenger business has tended to keep profits at a relatively low level. As you know, in 1930 bond interest, after depreciation, was not fully covered, and the near term outlook for the preferred stock cannot be considered overly encouraging.

Canadian Car

We have considered the purchase of securities of Canadian Car and Foundry Co. with a view to obtaining some degree of security and a chance of possible appreciation in the future. We should be glad to have your opinion in this regard; and also, the prospects for a continuance of common stock dividends.

The immediate outlook for a marked improvement in operations of railroad equipment companies is not very impressive. With existing transportation problems in Canada, it is likely that the railroads will restrict their commitments for new equipment to a minimum, and the three companies serving this industry, of which Canadian Car is the largest, are likely to feel this situation. On the other hand, earnings of equipment companies are notoriously cyclical as was witnessed in the large profits made in recent prosperous years. Further, the railway companies have got to replace their obsolete equipment sooner or later, and when conditions improve, the outlook for Canadian Car will be more encouraging. In the meantime, the company has built up a strong financial position, which should enable it to tide over the present lean period without a great deal of difficulty. It is not possible to forecast what policy the management will adopt in respect to the common stock dividends.

Dryden Paper

I would be grateful if you would outline the situation surrounding Dryden Paper Co., especially as regards its common shares. I hold a small block of these and feel that the present market value is unreasonable in the light of the company's assets. Do you see any chance of an improvement in earnings in the near future?

The general situation prevailing in the industry served by Dryden Paper Co. does not lend much promise for the immediate future as far as the company's common shares are concerned. Earnings in the year ended September 30, 1931, were just sufficient to cover bond interest, though no provision was made for depreciation and depletion in that period. As you say, the market value of the shares is somewhat out of line with the equity of the stock, which amounted to nearly $37 a share according to the last balance sheet issued. Earning power, however, is an important factor in determining share values, and though the company has been successful in ridding itself of receivership, the common stock has not yet developed a perceptible earning power.

Like the manufacturers of newsprint, producers of kraft have been affected by keen competition and low prices; until commodity values show an improvement, there is little prospect of Dryden Paper Co.'s earnings recording an appreciable gain.

Photo Engravers

Please advise me your opinion of Photo Engravers Common, a semi-investment at this time.

Photo Engravers and Electrotypers Limited does not issue interim figures during the year, but we are advised that earnings during the year which ends February 29, 1932, will be sufficient to cover the annual dividends of $2 per share by a satisfactory margin. There are but 30,000 shares of stock outstanding of which a good proportion is rather closely held and on this account the stock, while listed on the Toronto Stock Exchange, does not command a wide market. The current bid price of 15¼ is under the lowest price which the shares have sold since they were issued.

During the past year the company has moved its plant to the Mail Order Building of the Robert Simpson Company with which company it has entered into a ten year agreement understood to be on a cost trust basis to do all engravings, rotogravure and printing. In addition to having this large contract, the company is one of the leaders in the engraving and electrotyping business in Canada and through purchases of new equipment to handle the Simpson contract the company is also in a position to extend its operations in other lines. It must be understood that the Simpson contract does not altogether represent new business since Photo Engravers has handled some work on Simpson's mail order catalogue for some years and has had a special staff engaged exclusively on this work.

Increased appropriation for advertising by large companies would affect Photo Engravers beneficially. At February 28, 1931, the common stock had an equity per share of $22.88 and in the year ending on that date, earnings amounted to $2.95 per share as compared with $3.19 per share in the previous year.

THE
TORONTO SAVINGS AND LOAN CO.
FORTY-SEVENTH ANNUAL REPORT
CAPITAL PAID UP $1,000,000.00 RESERVE FUND $1,200,000.00

General Statement 31st December, 1931

ASSETS

Office Premises		$ 70,000.00
Real Estate Owned		984,646.69
Rents		11,359.63
Mortgages—		
Principal	822,602.66	
Interest due and accrued	24,783.52	
		847,386.18
Bonds and Stocks Owned—		
Bonds of Dominion of Canada and Provinces thereof	636,682.72	
Bonds of Canadian Municipalities	382,204.43	
Other Bonds and Debentures	724,189.24	
Stocks	2,035,174.84	
		3,778,251.23
Loans on Stocks and Bonds		16,150.00
Cash on Hand and in Banks		379,329.08
Sundry Accounts due Company		300.00
		$6,087,422.81

LIABILITIES

To the Public:		
Deposits	$1,432,421.40	
Currency Debentures	1,598,790.30	
Sterling Debentures	680,092.44	
		3,711,304.14
To the Shareholders: (Capital Stock Subscribed: $1,000,000.00)		
Capital Fully Paid	$1,000,000.00	
Reserve Fund	1,200,000.00	
Profit and Loss Account	81,118.67	
		2,281,118.67
Dividend and Bonus payable 2nd January, 1932		95,000.00
		$6,087,422.81

PROFIT AND LOSS ACCOUNT
For the Year Ending 31st December, 1931

Balance at credit of Profit and Loss Account 31st December, 1930	71,282.37
NET PROFIT for the year after deducting charges of management, interest on Deposits, Debentures, etc.	209,836.30
	$281,118.67

Appropriated as follows:	
Quarterly Dividends Nos. 148, 149, 150 and 151, amounting to 14% on $1,000,000.00	140,000.00
Bonus of 6% for the year 1931	60,000.00
Balance carried forward	81,118.67
	$281,118.67

AUDITORS' CERTIFICATE

We hereby certify that we have carefully audited the Books and Accounts of the Toronto Savings and Loan Company for the year ending 31st December, 1931, and have verified the cash, bank balances, and securities of the Company; that we have examined the Statement and that it agrees with the Books of the Company.

That after due consideration we have formed an independent opinion as to the position of the Company; that with our independent opinion so formed, and according to the best of our information and the explanations given us we certify that in our opinion the statement sets forth fairly and truly the state of the affairs of the Company.

That all transactions of the Company that have come within our notice have been within the powers of the Company.

Peterborough, January 4th, 1932.
F. J. A. HALL
A. J. REYNOLDS } Auditors.

DIRECTORS
H. C. COX, President. W. G. MORROW and LEIGHTON McCARTHY, K.C., Vice-Presidents.
E. R. WOOD, E. T. MALONE, K.C., G. A. MORROW, S. H. LOGAN, J. A. McLEOD, A. H. COX and W. E. RUNDLE.

Property Management

makes for assured constant minimum vacancies, and minimum operation costs. Information regarding our Property Management Department submitted on request.

McWILLIAMS & BROUGHALL
Members Toronto Real Estate Board
Members National Real Estate Board
25 King Street West
TORONTO
Elgin 4182-3-4

Family partnership in banking

A very real service is offered by joint account privileges. Two people may cheque and deposit through one account, and this makes a very convenient family banking arrangement.

Any Branch of the Bank will be glad to open joint accounts and explain details.

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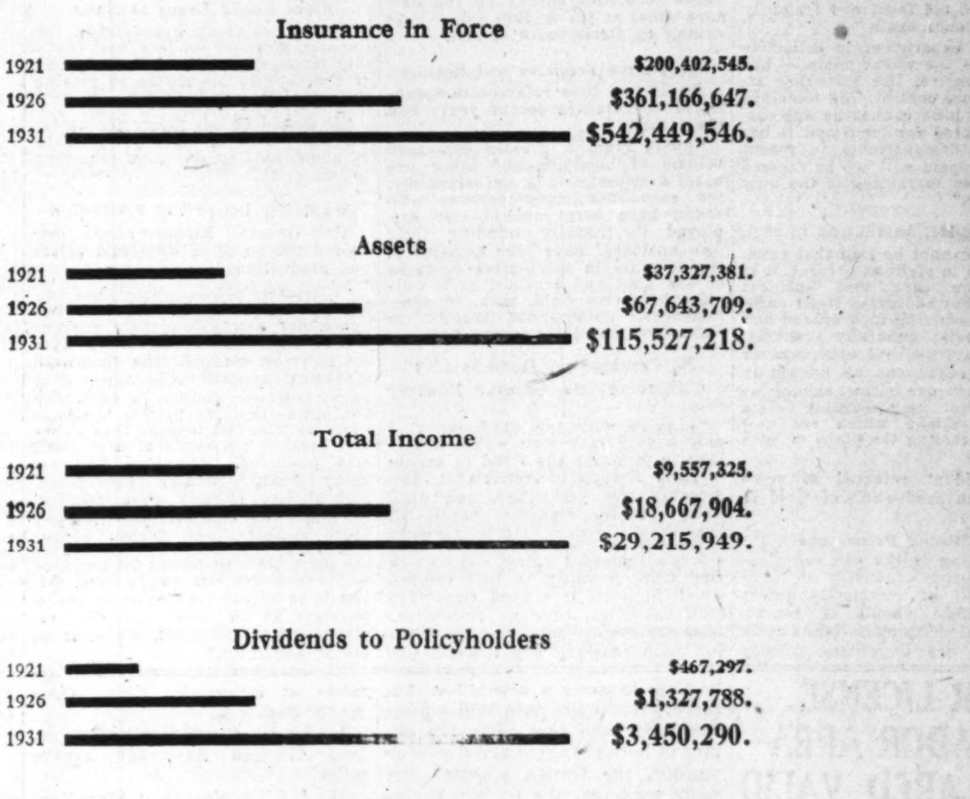
IMPERIAL BANK OF CANADA
HEAD OFFICE · TORONTO
Capital and Reserve $15,000,000
FRANK A. ROLPH, President
Col. J. F. Michie, Vice-President R. S. Waldie, Vice-President
A. E. Phipps, General Manager
230 BRANCHES THROUGHOUT CANADA

A Record of Steady Progress



THE
MANUFACTURERS LIFE
INSURANCE COMPANY
ESTABLISHED 1887

BRANCH OFFICES IN CANADA, UNITED STATES, GREAT BRITAIN, INDIA, AFRICA, ASIA, JAPAN, PHILIPPINES, HAWAII, WEST INDIES, CENTRAL AND SOUTH AMERICA

"Business Profits Should Respond Quickly When the Turn Comes"

"Application of Economy is General"

President, Vice-President and General Manager address 61st Annual Meeting of Shareholders.

The Dominion Bank

A Very Satisfactory Statement Presented.

The Bank's Liquid Position Strong.

The addresses of the President, Vice-President and General Manager delivered at the Annual Meeting of shareholders of The Dominion Bank in Toronto on Wednesday the 27th inst. clearly presented a number of the most important factors in our present economic position.

Speaking of Agriculture the President paid high tribute to the courage and optimism of the Western farmer and referred to the headway that is being made in mixed farming, or as he termed it balanced agriculture.

The Vice-President and General Manager after commenting upon the satisfactory statement of the past year and the Bank's very strong liquid position devoted a portion of his address to the necessity of rigid retrenchment in public and private undertakings.

A large number of shareholders attended the meeting.

The President, Mr. A. W. Austin, in opening his address, said he was sure it was gratifying to the shareholders that the Bank had so well maintained its earning power and liquid position in spite of the unprecedented conditions of the past twelve months.

As in previous years the President devoted some time to a review of Agricultural conditions, making special reference to headway being made in mixed farming in the prairies.

Agriculture the Key Industry

"With about one-half of one per cent. of the world's population, Canada grows ten per cent. of the world's wheat, or twenty times her proportion, and as yet about seventy-five per cent. of our arable prairie land remains untouched by the plow. It is, unfortunately, the fact that our Western Provinces are experiencing a long period of hardship, due to continued low prices for all agricultural products, a short crop last year, and drought throughout a large portion of Saskatchewan and some other districts, making extensive measures of relief necessary. The Western farmers have had much to contend with, and many of them are heavily in debt, but nevertheless they are not discouraged, for they have had plenty of experience in the past of the recuperative power of the land and now that production costs have from necessity been cut to a very low point, any moderate increase in prices—and there are indications of an upward tendency—combined with normal yields, is sure to bring about a material change for the better. In the meantime we must pay warm tribute to the courage and optimism with which these splendid Western people face their present difficulties."

Headway in Balanced Agriculture

"The policy of balanced agriculture is making genuine headway, particularly in Alberta, where a considerable decrease since last year in seeded acreage is attributed to the swing from grain growing to dairying, cattle-feeding, poultry raising and the planting of vegetables; to live 'off the farm' is now the aim of the majority, and old fashioned frugality is practised once again."

"Canada's experiment in collective marketing — the wheat pools — has proven expensive, like all other attempts at price control. The workings of economic laws cannot be successfully obstructed for long, and it has been amply demonstrated in recent years that buyers will not be coerced and that open marketing is the only sound policy."

Continuing Mr. Austin said in part.

"While it cannot be said that much prosperity is in sight at present, it is certainly the case that business everywhere has addressed itself earnestly to economizing in overhead and operating costs; generally speaking, I think it is true that extravagance has been checked and an upturn in business, when one comes, should restore to the profit-earning class many corporations which are now temporarily feeling the pinch of hard times."

The President referred at some length to the production of Gold in Canada.

Gold Mining Prosperous

"Gold mining is the one conspicuously prosperous industry in Canada, the fall of commodity prices having brought about, of course, lower cost of mine operation, and in addition, it has benefitted greatly through the large premium on New York exchange which has prevailed for some time. The output of gold in 1931 was approximately $55,000,000, an increase of 25% over the previous year's production. Interest and maturing principal on external debt are not hard to meet when times are good, but become burdensome when trade is stagnant and tariffs unfavourable; her rich gold mines, therefore, make an important contribution to Canada's economic welfare.

Develop Production of Gold

"Personally, I do not share the fears of some people that universal abandonment of the gold standard will come about, nor — even if it should — that gold will lose its value. The precious metal has been the object of greatest human desire for many centuries and age-old tradition dies hard. To me over-production of gold is inconceivable, and I strongly urge that Canada push development in this direction to the limit, with the support and encouragement of our Governments."

A Reduction in Branch Banks

The Branch system of our Canadian Chartered Banks was dealt with in the following words:

"At some of our past meetings we have drawn attention to the over-expansion of branch Banks, and we are glad to note a reduction of 117 in 1931, which is a move in the right direction, but Canada is still greatly over-banked in this respect, with a branch for every 2,600 people, as compared with one for every 3,500 in Great Britain and one for every 4,800 in the United States. It is gratifying to see that The Canadian Bankers' Association has at last taken active steps to improve this situation — a policy which this Bank has been urging for years past. In the case of this Bank, we have reported the closing during the past year of offices at five points where there appeared to be no prospect of developing a profitable business. By arrangement made with another Bank it withdrew in our favour at Grenfell, Saskatchewan."

Mr. Austin closed his address with words of appreciation to the officers and staff for the care and attention they had given to the Bank's business under the exceptional conditions of 1931.

Mr. C. A. Bogert, Vice-President and General Manager, opened his address in the following words.

"At the last Annual Meeting of our Shareholders hope was expressed that the ensuing twelve months might see some improvement in world affairs and in the general business of this country. Unfortunately, as the President has already pointed out, there has been no improvement and to Canadian financial institutions 1931 was an unusually difficult year in which to successfully carry on their business. In view of this, your Directors and Officials submit the Statement of this Bank with satisfaction."

Earnings Decrease Only Slightly

The General Manager then dealt with the Bank's 61st Annual Statement pointing out that notwithstanding a lesser demand for money in 1931 and at lower rates the Bank's earnings had only decreased moderately from $1,409,747 to $1,322,287, that deposits had been well maintained showing a decrease of less than 2%.

Liquid Position Strong

He referred to the Bank's very strong liquid position with immediately realizable Assets at over 54% and cash assets 18.35% of Public liabilities. The Bank's investments were also referred to, at $26,353,675, an increase of $5,000,000 during the year. Of these holdings $23,597,191, or approximately 90%, come under the headings of Dominion and Provincial Government and Municipal Securities. These securities appear on the balance sheet at the market prices prevailing on December 31st last.

Speculative Ventures and Results

Mr. Bogert then referred to speculative ventures in recent years and the results.

"Apart from a greatly decreased volume of business, and other unusual drawbacks, it is, unfortunately, the case that many persons who would have been much better employed in literally 'minding their own business,' have been engaged in recent years in speculative ventures of one kind and another, quite outside their own field, with, in some instances, unfortunate results to themselves and their enterprises.

No Prophesy on Trend in 1932

Continuing the General Manager said:

"I agree with the Chairman that only a very rash man would undertake to prophesy the trend of events in 1932. Everybody recalls that commencing two years ago, and until quite recently, financial people all over the world were forecasting early improvement; unfortunately, they nearly all guessed wrong, and we now find more humility in this respect, which in itself is a good sign. You will, therefore, hear no predictions from me to-day, but these are times for plain speaking and I would like to refer to one or two facts of general interest, indeed of grave importance."

Large Public Debts

Reference was then made to the Public funded debt of Canada and the slower rate of growth in population.

"The total of all public funded debts in this country is in excess of $6,000,000,000, owed by

Dominion Government.	$2,550,000,000
Canadian National Rlys.	1,133,000,000
Provincial Governments	1,090,000,000
Municipalities (estimated)	1,300,000,000
	$6,073,000,000

"This total compares with $4,500,000,000 ten years ago—an increase of $1,500,000,000. The Dominion Government during part of the intervening period effected reductions in the net national debt of approximately 11% from its peak, but this gain was more than wiped out in the past few weeks by the National Service Loan. Do the Canadian people realize that since 1921 the borrowings of the Canadian National Railways have increased about 38%, of the Provinces over 100% and of the Municipalities 64%? Do they further realize that in these ten years we have borrowed with our left hand nearly $6 for every $1 repaid by our right?"

Preliminary Census Figures

"Preliminary figures of the new census indicate a total population of approximately 10,360,000, an increase of about 18% in ten years. This is a slower rate of growth than expected and does not compare at all favourably with our rapidly increasing public debts."

Over-railroaded and Over-Highwayed

The General Manager is of the view that public expenditures are on a scale in excess of our present needs. He said in part.

"Over-railroaded on borrowed money, are we not, in addition to other extravagances, in danger of becoming over-highwayed, also on borrowed money, and is not the competition of hard-surface roads a real threat to the rail systems, already showing steadily decreasing earnings? Apart from this, new public facilities of every kind, new bridges, new and elaborate schools, new Government buildings, harbor facilities, have been built on a scale far in excess of our present needs, if not our wants, and certainly beyond our means."

Retrenchment Imperative

"Communities are very like individuals, ever ready to borrow when interest rates are low and competing lenders offer money freely; due date then seems a long way off, and sufficient thought is never given to repayment, but the time has undoubtedly come to put an end to extravagance and start upon a programme of retrenchment, which I fear will be long and troublesome."

Discount on Canadian Dollar

Dealing with the discount on the Canadian dollar, Mr. Bogert said:

"Canada is meeting her obligations promptly in spite of the heavy discount on the Canadian dollar, due to various causes—among them:

(1) The change from a favourable to an unfavourable balance of trade, the result of declining exports and low prices of such items as grain and newsprint.

(2) The psychological effect of Great Britain's abandonment of the gold standard.

(3) The shortage of available gold in Canada.

(4) The tendency of timid foreign holders to sell their Canadian securities.

The Exchange Rate—Its Effect

"The high rate of exchange of course raises the cost to our Governments and Municipalities of remittances to meet New York maturities and will correspondingly be felt by the taxpayers. It may also affect later on the cost to the individual of indispensable imports — coal, for instance — but there are compensating good effects, provided the rate does not reach too high a level. It tends to check excessive imports and fosters the use of Canadian goods; it attracts outside capital from those with faith in Canada who foresee the ultimate return to par of our dollar; it encourages tourist traffic to this country and at the same time induces our own people to spend their money at home; it brings a larger return on exports sold in United States funds."

Place Public Loans at Home

At this point in his address the General Manager made a very definite statement as to what the policy of the country should be in placing its loans. He said:—

"It should be our policy for an indefinite period to place public loans at home, cutting our coat according to our cloth."

Wholesale Prices and Production

The General Manager then discussed the trend of wholesale prices and productions.

"Wholesale prices, which have fallen so drastically in the last two years, are now below their pre-war levels, and some commodities have set new low records. The downward movement appears to be arrested at present, but it cannot be said with confidence that the bottom has been reached. The fact is plain that prices fell because too much of everything was produced. 'Increased business every year,' 'greater production,' and similar slogans were familiar phrases in our commercial philosophy until recently, and within proper limits they are sound, but apparently the most difficult lesson for mankind to learn under our competitive system is to adjust production to needs, progress at an even pace, and restrain individual greed, which is as old as humanity."

Lessons in a Hard School

Mr. Bogert closed his address with a word of confidence in the younger men of the business community. He said: "In Canada the younger members of our business community are receiving their education in a hard school, but the lessons they are learning will be invaluable in dealing with the many serious problems that will arise during the next few years — I have no doubt that they will prove equal to whatever conditions the future may hold.

"Finally I am quite in accord with the views expressed by many others, that this great country will be one of the first to experience better times."

The following Directors were elected:— Messrs. A. W. Austin, C. S. Blackwell, C. A. Bogert, C. H. Carlisle, R. Y. Eaton, E. W. Hamber, John M. Mackie, Wilmot L. Matthews, R. S. McLaughlin, W. W. Near, F. Gordon Osler, F. L. Patton, J. Allan Ross, C. O. Stillman and H. H. Williams.

At a subsequent meeting of the Directors, Mr. A. W. Austin was elected President, Mr. C. A. Bogert, Vice-President, and Mr. C. S. Blackwell Chairman of the Board.

TIMBER LICENSE LABRADOR AREA DECLARED VALID

Privy Council Hands Down Important Decision on Rights

From Our Own Correspondent

MONTREAL.—Dispatches from Newfoundland state that the Judicial Committee of the Privy Council has handed down a decision in favor of G. Jardine and M. E. Martin, reversing a full bench decision of the Supreme Court of Newfoundland, which declared that a license to cut timber issued to G. Jardine on March 16, 1915, was forfeited because of the fact that a sawmill had not been erected within three years from the date of the approval of the license, nor a pulp mill within five years from the same date.

It is stated that the grounds upon which the Judicial Committee of the Privy Council, to some extent at least, came to their conclusion was that as the license to cut timber carried a clause requiring the licensee to erect a sawmill within three years or a pulp mill within five years and that after the expiry of both the three and five-year periods, the Crown accepted the rents tendered, the Crown, therefore, established a waiver as to the breach of conditions, and once established it was not a continuing waiver.

The license under dispute was one covering an area of 1,000 square miles in the vicinity of White Bear Bay, Labrador.

An Important Decision

The decision is one of considerable importance inasmuch as it effects the holdings of residents of Canada, Newfoundland, Great Britain and elsewhere. The St. John's Daily News has compiled the following lists of licenses issued to cut timber on the coast of Labrador, together with the area covered:

J. C. Hepburn, situate at Double Mer., 1,550 square miles.

Tobin and Eagan, situate at Alexis Bay, 2,434 square miles.

Carl Riordan, T. Macauley, et al, inland St. Michael's Bay, 800 square miles.

Labrador Pulp and Lumber Company, situate at Sandwich Bay, 2,008 square miles and 150 square miles at Kenimiche River, Gros Water Bay.

Lusby, Black and Soy, situate inland Chateau Bay, 550 square miles.

W. J. Ellis, situate at Stag Bay, 140 square miles.

Sandwich Bay Pulp and Lumber Co. Ltd., situate at Sandwich Bay, 1,600 square miles.

J. J. Galway, situate at St. Lewis Bay, 160 square miles.

London Labrador Corporation, situate at Kenimiche River, 512 square miles.

Grand River Pulp and Lumber Company, situate Grand River 297 square miles.

International Grenfell Association, situate at St. Mary's Harbor, 60 square miles.

Co-operative Associations Increase

Co-operative associations in Canada in 1931 numbered 1,132 with a total membership of 756,420, compared with 1,095 such associations in 1930 which had a membership of 690,685 members. This type of organization includes productive, marketing, credit and savings, community hall and miscellaneous societies. Numerically the strongest co-operative associations are those engaged primarily in marketing, there being in 1931 a total of 333 with a membership of 344,884.

SUGAR REFINERS MADE PROGRESS IN PAST YEAR

Increase in Shipments, Imports Record Wide Drop

From Our Own Correspondent

MONTREAL.—Financial statements of Atlantic Sugar Refineries and Acadia Sugar Refining Co. for 1931 should reflect the progress made by the Canadian sugar refining industry as a whole last year as indicated by government statistics. Imports of refined sugar were reduced by more than 50 per cent compared with 1930; gains were recorded both in manufactures and shipments.

The most striking feature of figures covering the Canadian sugar refining industry in 1931 was the drop in imports of refined sugar. In the past this has constituted one of the greatest difficulties which Canadian companies have had to contend with; not so much from their volume but from the fact that the imported product usually set the market price for the domestic manufacturer.

Had Greater Protection

Application of dumping duties has done much to stem this competition. Imports of refined sugar in 1931 were 20,704,900 pounds compared with 50,710,900 pounds in tection afforded during the past 1930, a clear reflection of the proyear.

Maintenance of plant operations is seen in other figures. Total sugar manufactured in 1931 was 982,132,339 pounds an increase of nearly 39,000,000 pounds over the previous year. Domestic shipments were higher by 21,000,000 pounds at 927,953,300 pounds though a decrease in exports narrowed the gain in total shipments over 1930 to 12,000,000 pounds at 943,407,248 pounds

Exports of Canadian refined sugar are practically negligible since the vast world over production of sugar does not allow the Canadian manufacturer to compete in world markets. Total exports in 1931 were 14,938,400 pounds a drop of 7,000,000 pounds from the previous year.

Receipts of raw sugar during 1931 were lower by 10,000,000 pounds at 897,126,393 pounds. With manufactures and shipments maintained the drop in receipts is reflected in stocks on hand at the end of the year which were 10,000,000 pounds lower at 98,423,253 pounds.

Canada, 1932

The third edition of this miniature Canada Year Book published annually now by the Dominion Bureau of Statistics at the beginning of each year contains a brief statistical and written story of the various phases of Canadian life and activity. It starts with an 8-page outline of the world situation as it affects Canada and follows with various chapters on area, drainage and climate; population; constitution and government; wealth and production; agriculture; forestry; mining; water powers; fisheries; fur trade; manufactures; transportation; trade, finance; labor; education, etc.

The chapters dealing with agriculture, external trade and the taking of the census have been considerably improved, and a short section dealing with newspapers and periodicals in Canada has been introduced for the first time.

Throughout the handbook the latest available information is included in each section, the figures in many cases extending to the end of 1931.

Copies of the handbook can be obtained from the Dominion Statistician, Bureau of Statistics, Ottawa. Price 25 cents.

THE DOMINION BANK

ESTABLISHED 1871

THE DOMINION BANK

Sixty-first Annual Statement

The Sixty-first Annual General Meeting of The Dominion Bank was held at the Head Office in Toronto, on Wednesday, January 27th, 1932, at which the following statement of the Profit and Loss Account and the Liabilities and Assets of the Bank as on December 31st, 1931, was presented:

PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, 31st December, 1930		$ 444,219 07
The Net Profits for the year ended 31st December, 1931, amounted to		1,322,287 30
		$1,766,506 37
Which amount has been disposed of as follows:		
Dividends (quarterly) at Twelve per cent. per annum	$840,000 00	
Contribution to Officers' Pension Fund	50,000 00	
Dominion and Provincial Government Taxation	211,297 15	
Provision for depreciation in Securities	200,000 00	
		$1,301,297 15
Balance of Profit and Loss Account carried forward		465,209 22
		$1,766,506 37

GENERAL STATEMENT

31st December, 1931

LIABILITIES

Capital Stock paid in			$ 7,000,000 00
Reserve Fund		$ 9,000,000 00	
Balance of Profit and Loss Account carried forward		465,209 22	
Dividend No. 197, payable 2nd January, 1932		210,000 00	
Former Dividends unclaimed		945 00	
			9,676,154 22
Total Liabilities to the Shareholders			$16,676,154 22
Notes of the Bank in Circulation		$ 6,262,303 00	
Deposits not bearing interest	$20,173,278 59		
Deposits bearing interest, including interest accrued to date	85,275,816 48		
		105,449,095 07	
Balances due to other Banks in Canada		963,835 12	
Balances due to Banks and Banking Correspondents elsewhere than in Canada		1,534,617 11	
Liabilities not included in the foregoing		366,948 27	
			114,576,798 57
Letters of Credit Outstanding			1,622,126 30
			$132,875,079 09

ASSETS

Gold and Silver Coin, current	$ 1,018,693 91	
Dominion Government Notes	9,367,640 89	
Deposit in the Central Gold Reserves	1,000,000 00	
Notes of other Banks	686,390 00	
United States and other Foreign Currencies	42,360 13	
Cheques on other Banks	6,789,813 28	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	2,122,778 44	
	$21,027,676 65	
Dominion and Provincial Government Securities, not exceeding market value	19,222,378 98	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian, not exceeding market value	4,374,813 00	
Railway and other Bonds, Debentures and Stocks, not exceeding market value	2,756,483 62	
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures and Bonds and other Securities of a sufficient marketable value to cover	13,011,678 70	
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada on Stocks, Debentures and Bonds and other Securities of a sufficient marketable value to cover	1,183,400 51	
Deposit with the Minister of Finance for the purposes of the Circulation Fund	334,950 00	
		$61,911,381 46
Other Current Loans and Discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful debts	$61,248,986 69	
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest) after making full provision for all bad and doubtful debts	1,643,043 42	
Non-Current Loans, estimated loss provided for	222,809 73	
Bank Premises, at not more than cost, less amounts written off	6,031,160 59	
Real Estate other than Bank Premises	59,035 32	
Mortgages on Real Estate sold	15,706 43	
Other Assets not included in the foregoing	120,829 15	
		69,341,571 33
Liabilities of Customers under Letters of Credit, as per contra		1,622,126 30
		$132,875,079 09

A. W. Austin, *President.* C. A. Bogert, *General Manager.*

AUDITORS' REPORT TO SHAREHOLDERS

We Report to the Shareholders of The Dominion Bank:—

That we have examined the above Balance Sheet as at December 31st, 1931, and compared it with the books and vouchers at Head Office and with the certified returns from the Branches. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In our opinion the Balance Sheet discloses the true condition of the Bank and is as shown by the books of the Bank.

A. B. Shepherd, C.A.,
of Peat, Marwick, Mitchell & Co.
D. McK. McClelland, F.C.A.,
of Price, Waterhouse & Co.

Toronto, January 18th, 1932.

HURON AND ERIE SHOWS EARNINGS OF $8 PER SHARE

Assets Increase by $700,000 and Now Reach $47,800,000

Earnings of $8 per share are shown by Huron & Erie Mortgage Corp. for 1931 as compared with $10.23 per share earned in 1930, according to the company's 68th annual report submitted to shareholders this week. Net profits after payment of taxes and after writing off $50,000 on premises account, totalled $400,489 as compared with $511,615 for 1930. Usual dividends of 8 per cent were paid on the shares and $85,121 carried forward into profit and loss account.

Comparative statements for the past two years follow:

Income and Surplus Account
Years Ended Dec. 31

	1931	1930
	$	$
Net earnings§	533,459	593,495
Less:		
W/o office prem.ises	50,000	25,000
Taxes	82,970	56,880
Net profit	400,489	511,615
Less appropriations:		
Dividends	400,000	400,000
Surplus for year	489	111,615
Add: Prev. surplus	85,121	73,506
Less: Transfer to reserve	......	100,000
Balance forward	85,610	85,121
Earnings per Share and Dividend Record:		
Earned†	$8.00	$10.23
Paid	8.00	8.00

†Based on paid-up capital of $5,000,000.

§After management expenses and all other charges, and provision for actual and possible losses.

Total assets are $700,000 higher at $47,807,000 the most important changes being a substantial increase in the company's holdings of government guaranteed bonds and an increase of nearly $650,000 in office premises account reflecting the acquisition by the company of its new head office building at London which was occupied during the year. Bonds guaranteed by the dominion or provincial governments total $1,103,000 as compared with $512,000 in 1930, while holdings of bonds of federal, provincial and British governments are considerably lower at $1,320,500 as against $2,000,000 in 1930.

Two New Items

A new item "re Peoples Loan & Savings Co." appears for the first time at $1,100,646 being the present net worth of the property now being liquidated by Huron & Erie on behalf of the Peoples Loan & Savings Co. Another item which appears for the first time is the sum of $242,739 in the form of real estate held for sale of which $235,000 is in city properties.

On the liability side of the ledger, Canadian debentures outstanding show an increase of nearly $1,800,000 at $27,842,000 while sterling debentures are slightly lower at $219,663. Deposits are down nearly $800,000 at $10,085,500 due, according to company officials, to heavy withdrawals on account of the National Service Loan floated in November last. Liabilities to shareholders remain unchanged except for a slight increase in the profit and loss surplus carried forward.

CANADA TRUST CO. EARNS $108,000 IN '31

Assets Show $2,000,000 Increase to $30,279,000 During Year

Earnings of $10.80 per share as compared with $13.21 in 1930 are shown by Canada Trust Co., wholly-owned subsidiary of Huron & Erie Mortgage Corp. in its 30th annual report. Net profits after provision for taxes totalled $108,000 as against $132,000 a year ago.

Income and Surplus Account
Years ended December 13

	1931	1930
	$	$
Net earnings‡	131,959	148,915
Less: Dom. & Prov. tax	23,881	16,834
Net profit	108,078	132,081
Less appropriations:		
Dividends	100,000	100,000
Surplus for year	8,078	32,081
Add: Prev. surplus	33,123	1,042
Balance forward	41,201	33,123
Earnings per Share and Dividend Record:		
Earned†	$10.80	$13.21
Paid	10.00	10.00

*After defraying expenses of management and other charges, and making full provision for actual and possible losses.

†Based on paid-up capital of $1,000,000. and after provision for taxes.

Total assets show an increase of over $2,000,000 to $30,279,000 of which $21,630,000 is in estates, trusts and agencies account. Capital account shows little change from a year ago at $1,941,000 although the company has carried forward for the first time $7,108 as real estate held for sale. Guaranteed trust account is shown at $6,707,288 holdings of government bonds to be considerably higher.

Among liabilities, the company shows trust funds for investment at $6,655,189 as compared with $7,055,000 at the end of 1930.

FAIRHALL'S TRUST GROUP REORGANIZE

(Continued from page 1)

ues, it was decided to give one new share of new preferred stock on the basis of "net values." At the same time the arrears of dividends were considered, and in order to compensate the shareholders for loss, the "net values" were increased by $1.65, $1.37 and $1.24 for the Diversified Standard Securities and the second and Third companies, respectively. In this way was arrived a value on the old stock.

Will Publish Figures

In the plan despatched to the shareholders, it is stated that the new organization should be able to carry on on much lower expenses. In order to assist in maintaining a readier market for the securities, it is proposed to make public each month the "net value" of the preferred shares and issue a statement of earnings every three months.

Followed Standard Oil

The three Fairhall companies came into being between 1927 and 1929. The first was formed for the purpose of investing funds in Standard Oil securities; the second one had the same limited powers; while the third one had broader powers in respect to its investments. In 1930 it was found expedient to change the by-laws of the first two companies, in order to permit them to invest in securities other than those of the Standard Oil group.

Sold Stock at Par

Diversified Standard Securities sold stocks in units of one share of preferred and one share of common at $35, of which $25 was for the preferred and the balance for the common stock. Second Diversified Securities sold its preferred at $25.50 a share, while units of one preferred and one common share were also offered. The sale of stock for Third Diversified Standard Securities was on a basis similar to that of the second company.

As far as can be learned the founders shares do not represent any cash investment; these shares are carried on the balance sheets at a nominal value.

Highlights of Plan

Analysis of the proposal for reorganization brings out a number of interesting facts.

Control of the new company will continue to rest with the holders of the "B" stock or old founders' shares.

Lower Capital Values

Holders of Diversified Standard Securities' preferred stock are asked to take a new security on the basis of 7/25ths old for one new share, with a bonus of 1/10ths of a share of new class "A" stock, while the "A" stock is exchanged at par, and the founders' shares are cut in half.

The basis of exchange for the Second and Third Diversified Standard Securities is on the same basis, except that the preferred shareholders receive 11/25ths of a share for each old share of preferred held.

Cut in Dividends

Holders of Diversified Standard Securities old preferred were entitled to cumulative dividends of $2 a share per annum. Under the new proposal they would receive non-cumulative dividends to a maximum of 70 cents a share (7/25ths of $2.50) plus what dividends might be obtained from their 1/10th of a share of class "A" stock received for each 10 shares of old preferred held.

For each share of old preferred, Second Diversified Standard Securities shareholders would receive in dividends on their new preferred $1.10 a share for each share exchanged as against $1.75 fixed dividend on old stock plus the dividend that might accrue on the bonus of Class "A" stock. Cumulative dividend rights would be foregone.

The position of preferred shareholders of Third Diversified Standard Securities in respect to dividends would be the same as that for Second Diversified Standard Securities.

The relationship existing between the old Class "A" and common stocks and Class "B" and founders' stock in respect to dividends remains unchanged under the new set up. Class "A" shares, under the plan, receive priority up to 50 cents a share; after that both stocks share alike.

Show Net Assets

The balance sheet (pro forma) of the three old companies and the new company, together with distribution of shares are shown hereunder:

PRO FORMA STATEMENTS OF ASSETS AT MARKET VALUE AS AT OCTOBER 31, 1931, AND LIABILITIES OF SAME DATE

	Diversified Standard Securities Limited	Second Diversified Standard Securities Limited	Third Diversified Standard Securities Limited	New Company
Assets	$	$	$	$
Cash in bank	12	3,531	1,177	4,720
Cash in trust company	33	36	642	711
Securities—held by trust company	276,657	595,736	131,407	1,003,800
Securities—held by company	26,763	96,881	38,342	161,986
Declared dividends receivable	330	377	158	865
Demand loan	......	88,384	......	......
	303,795	784,945	171,726	1,172,083
Unpaid subscriptions—not valued	......	20,200	37,415	57,615
Liabilities				
Demand loan	88,384	......	......	......
Brokers' balances	......	68,953	19,244	88,196
Dominion income tax—1930	193	658	......	852
Dominion income tax—1931	400	2,400	80	2,880
Trustees fees	548	584	333	1,465
Sundry accounts payable	......	32	......	32
	89,525	72,627	19,657	93,425
Net assets, omitting unpaid subscrip.	214,270	712,318	152,068	1,078,687
Preferred dividends accumulated	86,666	172,567	31,644	
Shares Issued by Present Companies:				To be Issued by New Company
Preferred	40,000	73,965	15,571	50,595
Common "A"	48,273	74,791	15,447	151,464
Common "B"	50,000 (Founders)	100,000	75,000	112,500
Subscribed but Not Fully Paid:				To be issued when paid
Preferred	......	743	1,392	939
Common "A"	......	744	1,557	2,514

HOW STOCK IS APPORTIONED UNDER REORGANIZATION PLAN

Old Security	New Security (shares)*		
	Preferred	Class A	Class B
Diversified Standard Securities			
$1,000,000, $25 par, 8% cum. pref.	11,200	4,000	......
48,273 shares common stock	......	48,273	......
50,000 no par founder's shares	......	......	25,000
Second Diversified Standard Securities			
$1,849,125, $25 par, 7% cum. preferred	32,544	7,396	......
74,791 no par Class "A" shares	......	74,791	......
100,000 no par Class "B" shares	......	......	50,000
Third Diversified Standard Securities			
$389,275, $25 par, 7% cum. preferred	6,851	1,556	......
15,447 no par Class "A" shares	......	15,447	......
75,000 no par Class "B" shares	......	......	37,500
Total	50,595	151,465	112,500

* All shares of new company are of no par value and noncumulative as to dividends.

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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BUSINESS ISSUED OF CONTINENTAL WAS $6,516,000

Total in Force Now Stands at $38,809,000—Assets Higher

New business issued in 1931 of $6,516,000, as compared with $8,650,800 in the previous year is reported by Continental Life Insurance Co. in its annual statement for 1931. Total business in force now stands at $38,809,000 as against $40,203,000 at the end of 1930. Net ledger assets are higher by $400,000 at $7,092,241.

Analysis of assets shows the company has its largest holdings in bonds and debentures which form over 36 per cent of net ledger assets. First mortgages on real estate rank second forming approximately 31 per cent of the total. Both show increases on a book value basis over last year, although excess of market value over book value of bonds, debentures, real estate and stocks, (which is included in total assets) stands at only $70,000 as compared with $150,000 a year ago.

Surpluses Higher

The company also shows an increase in free surplus which is shown at $347,930 as compared with $311,779 in 1930. This is exclusive of paid-up capital stock of $200,000 and $81,101 which is surplus allotted to deferred dividend policies issued on and after Jan. 1, 1911.

Average rate of interest earned was 5.95 per cent as compared with 6.14 per cent a year ago.

Comparative figures of leading items for 1931 and 1930 are as follows:

	1931	1930
Business		
New ins. issued	$6,516,555	$8,650,801
Bus. in force	38,808,961	40,202,994
Income		
Net prem. income ..	1,217,153	1,290,693
Int., rents, etc.	453,091	428,228
Assets, etc.		
R. est. mortgages ..	2,298,581	2,235,052
Bonds, debentures ..	2,584,613	2,479,902
Policy loans	1,325,551	1,213,240
Stocks	256,854	215,339
Free surplus	347,930	311,779

CLOSE CONNECTION TO WORLD AFFAIRS SEEN FOR CANADA

Price Level of Raw Materials an Independent Variable

The extent to which the welfare of the Dominion is bound up with international affairs is concisely summed up by the Bank of Nova Scotia in its January review of business conditions.

The key facts of the Canadian situation are given as follows: Four-fifths of Canadian products, normally, are sold in Canada, hence the purchasing power of the home market is of prime importance to manufacturers. But one-third, at least, of the income of Canadian people in a normal trading year is derived from the sale of raw materials—one-fourth from agriculture alone—and the prices of these are governed by world conditions. Here is the great "independent variable" which Canada cannot control.

Prices and Credit

"As everyone knows," the review continues, "prices of raw materials and of farm products especially, have been reduced to low levels; and so have curtailed the total income of the Canadian people, to a point at which the full employment of our manufacturing equipment is not now possible.

"The breakdown of international credit, whose full seriousness became apparent in June and July of 1931, is the second factor of importance. The breakdown is fundamentally due to the continued decline in prices; for, in proportion as prices and government revenues fell, the burden of fixed charges became more unwieldy.

"But the crucial difficulty arose in the case of those payments which had to be remitted from one country to another. Transfer of these sums with the continued raising of tariff barriers all over the world. These are the difficulties for which a solution is now being sought overseas.

"Our hope is that the conferences now meeting, and about to meet in Europe, may, by restoring the purchasing power of the large section of Europe, which are now paralyzed economically, create conditions permitting a greater absorption of our crops and raw materials, and a sustained rise in their prices.

"Should they fail to create such conditions, a continued wide discrepancy between the prices of raw materials, and those of manufactured goods, can only mean renewed pressure on our manufacturers and merchants to bring down their prices (already drastically reduced during the past two years) to still lower levels."

Inter. Hydro-Electric Add to Shareholders

From Our Own Correspondent

MONTREAL.—International Hydro Electric System reports 8,900 Class "A" stockholders on January 15 last. This is the largest number recorded by the company to date and represents an increase of 11 per cent over the number of shareholders of record on October 15 last.

The average number of shares of the Class "A" stock of the system now held is 96 shares per shareholder, compared with 117 shares a year ago and 142 shares two years ago. The stock is held in every state of the United States and in every province of Canada but one, as well as in Newfoundland, Alaska, Canal Zone, Porto Rico and Cuba. In South America, Class "A" stock is held in Argentina and Peru, and overseas in England, Scotland, France, Belgium, Switzerland, Philippine Islands, Hawaii, and Straits Settlements.

Cattle Receipts Were Higher

Receipts of cattle, hogs and sheep at the eight leading livestock centres of Canada increased during the year 1931, while receipts of calves and horses showed a decline as compared with 1930, according to a report of the Union Stock Yards of Toronto, Limited. Cattle receipts are reported at 829,408, as compared with 734,735 for 1930; calves, 300,234 as against 311,966; hogs, 1,623,368 against 1,359,165; sheep, 668,823 against 613,329 and horses, 68,675 against 86,691.

Says Co-ordination Of Rails, Highways In Public Interest

Place of Motor Vehicle in Canadian Transportation System Surveyed in Brief to Royal Commission by Can. Automobile Chamber of Commerce

CLAIMS HIGHER TAXATION HARMFUL

Solution of Railway Problem Not Seen in Driving Motor Transport Agencies Off Road by Higher Taxes, But by Co-operation — Many Factors Discussed

HIGHLIGHTS OF MOTOR BRIEF TO RAIL COMMISSION

Canadian Railways have been "slow to appraise and loth to adopt" the new, efficient facilities of highway transport. Inexorable economic laws will sooner or later compel coordination, in interests of public and of efficiency.

Motor Transport has made well-defined place for itself on account of its flexibility, speed, convenience and cheapness. It does not necessitate heavier and more expensive highways.

Solution of Railway Problem consists not in hampering competing agencies but in elimination of duplication and expansion of population.

Government has Subsidized waterways to tune of $226,000,000 and railways to extent of $1,800,000,000 or $42,500 per mile. Total cost of all highways placed at only $600,000,000 of which great majority are for use of general public and motorist rather than trucks and buses.

Experts Agree that users of highway should pay two-thirds of cost yet motor vehicles in Canada paid 74 per cent of cost in 1930. Increase in highway transport taxes would be "discriminatory, inequitable and economically harmful."

By M. J. PATTON, Economist.

(From Brief Presented to Royal Commission on Railways and Transportation, by Canadian Automobile Chamber of Commerce.)

There are few countries to which an efficient and adequate transportation system is of more importance than to Canada. Our far-flung territory extending a distance of no less than 5,655 miles between Halifax and Vancouver, our sparse but ambitious population, our wealth of natural resources and the fact that we are producers of a large volume of primary products of heavy and bulky character, most of which must find export markets—all combine to make transportation one of the most vital of our national problems. And by the same token, it is these same considerations, coupled with a business depression of unexampled severity, which have brought us our present acute transportation difficulties.

Canada's most important agency of transportation has been the railway, and, on account of the geographical and economic factors above referred to, the railways will doubtless continue to be the backbone of our transportation system. But neither of our large railways has been able to make ends meet. The privately-owned system last year had to reduce its dividend. The deficit, both capital and operating, on the government-owned system in 1931 was in the neighborhood of $120,000,000, and this looms up as a great and depressing burden on the people of Canada.

Railways Overbuilt

Apart from the prevailing world-wide depression, this state of affairs has been brought about by the overbuilding of railways in the second last decade by competitive private interests, by duplication of services and a certain degree of extravagance on the part of the present railway managements, and by the emergence of new and competing agencies of transportation whose efficiency the railway managements have been slow to appraise and whose methods and instruments of transportation they seem loath to adopt.

These newer agencies have proved themselves in certain well-defined spheres to be more efficient than the railways, and if Canada is to have the best and cheapest transportation system possible, it is only a question of time until the railways will, by the inexorable operation of economic law, be compelled to recognize these new forms of transportation and to co-ordinate their present services with them.

Guiding Principles

As a guide in the solution of our transportation difficulties, it is of the first importance that the right general principles be laid down and kept constantly in view. It may be stated without fear of challenge that the proper guiding principles to follow are:

(1) that the public interest must always be considered paramount, and

(2) that the most efficient instruments of transportation must, in the public interest, prevail in those fields where they have demonstrated their efficiency.

Not what is best for the railways, nor what is best for water transport, nor what is best for the motor vehicle or the aeroplane must guide our thoughts and shape our efforts, but what is best for the public as a whole. And it follows as a natural corollary that, whenever in any sphere of transportation some new agency has clearly shown it can perform the service of transportation better and cheaper than the old agency, it must be adopted and the old gradually discarded, notwithstanding a large investment in the latter.

Growth of Highway Transport in Canada

Motor vehicle highway transportation has been a development of the last two decades, but only in the past seven or eight years has it become an important factor in the Canadian system of transportation. In 1909 there were but 4,763 vehicles registered in Canada. By 1915 the number had increased to 89,944, by 1920 to 407,064, by 1925 to 728,005, while in 1930 there were no fewer than 1,239,888 registrations. This represents an increase of 204 per cent in the past ten years and of 1,289 per cent in the past 15 years. At the present time there is a motor vehicle for every eight persons in Canada and three-fifths of the motor vehicles in Canada are concentrated in Ontario and Quebec. Ontario alone has 45 per cent of the total registrations.

Passenger cars exceed by far all other types of motor vehicles. In 1930 the number of passenger car registrations in Canada was 1,047,494, as compared with 165,464 trucks registered, a ratio of 6.3 to 1. In Ontario the registrations of these two types of motor vehicles compare as 491,007 to 67,084, or in the ratio of 7.3 to 1. The great preponderence of passenger cars over all other types of motor vehicles is an important factor to be kept in mind when later the subjects of taxation and highway construction and maintenance are under consideration.

Wide Ramifications of Industry

So rapid has been the growth of the motor industry and the industries allied with it that we are prone to overlook the value of these industries to the country generally. At its peak, before the onset of the present depression, the automobile manufacturing industry in Canada paid out in 1929 in salaries and wages the sum of $26,964,808, and the value of the products it made was $177,315,593 at the plant. Capital employed amounted to $98,378,301 and work was provided for 16,435 employees. In 1930, a year of depression, these figures showed some decline, value of products being $101,677,487, capital employed $90,671,678 and salaries and wages $19,473,892.

The motor industry has also given a stimulus to gasoline and oil, rubber, fabrikoid, plate glass, iron and steel, paint and numerous other industries. Unfortunately it is not possible statistically to evaluate the benefits thus imparted to all these industries, but it is common knowledge that production of all of them has been materially increased by demands from the motor industry. For instance, the rubber industry in 1930 gave employment to 15,163 people, employed $69,164,512 capital and its production of tires and tubes was valued at $36,583,309. The petroleum products industry in the same year employed 5,134 people, paid out wages and salaries of $8,190,130, utilized a capital of $70,334,381 and produced products to the value of $91,787,205 at the works.

The Dominion Government has made no count of the number of people in the garage and automobile repair business, but that it is large common observation bears witness. A recent unofficial estimate places it at 75,000 people. One great new industry, third in importance among the industries of the Dominion, the tourist trade, has been created by the motor vehicle.

Benefits of Motor Transportation

The advantages conferred on the community by motor transportation are manifold and are felt by every strata of society. In general terms they may be summed up as the saving of time, lowered cost of transportation, convenience and flexibility of service. Congested centres of population have, by means of motor transportation, been relieved of pressure and the area of suburban residence extended, the delivery of goods from the great stores, merchandise depots and factories has been speeded up, bus service has been given developing communities not sufficiently populous to afford street car service and salesmen and professional business men whose business requires constant travel between different parts of the city are enabled to cover many times the territory possible before the advent of the motor car:

No one has been benefitted by motor transportation more than the farmer. The motor car has banished the isolation of the farm home and revolutionized farm life. The extension of farm markets has been made possible through the speedier, cheaper and more convenient transportation it has provided. Studies conducted by the U. S. Department of Agriculture show that in 1918 the wagon haulage cost of wheat averaged 30 cents per ton mile. The motor truck has cut this cost exactly in two. The average daily haul of a horse-drawn wagon is ten miles. Government surveys in the United States—and similar conditions prevail in Canada—show that the farmer possessing motor equipment has quadrupled the economic range in his choice of markets. This has enabled him to take advantage of better prices obtainable in more distant markets, to eliminate the middleman and thereby increase his margin of profit, and to make it possible, through access to a city market, to turn from the production of a low-value crop to a more perishable but more valuable one.

In the matter of general haulage the motor vehicle has shown its efficiency and made a place for itself in two well-defined fields as respect both freight and passengers:

1. In the hauling of less-than-carload lots of freight.
2. In the transport of freight and passengers over short distances.

The chief advantages of the motor truck in its special fields are flexibility, speed, convenience and cheapness. The economic radius of operation of the truck a few years ago was thought to be about 75 miles, but improvements in construction, roadways and methods of operation have so increased this that today, for the general run of freight, it stands at approximately 130 miles.

One of the chief advantages of the motor freight transport over the railway is store-to-door delivery and the elimination of several handlings, all of which are costly both as regards labor and time. Truck transportation also relieves the shipper of the delays consequent on terminal congestion and freight embargoes. Its convenience lies in the fact that the shipper can secure service any time of the night or day. As an instance of the advantage of this flexibility of service it may be pointed out that one of the large packing houses in Toronto can fill orders received up to midnight for delivery in Brantford (67 miles) at the opening of business the following morning. Such quick service enables the merchant to operate with much smaller inventory than if the slow railway freight service were depended on, and thus reduces the capital tied up in the stock.

The Railway Dilemma

Such is a brief description of the new form transportation that within the past ten years has been demanding a share in the sun which heretofore the railways had almost completely monopolized. While charges have been made that the motor vehicle is responsible for many of the ills from which our railways are suffering, a calm examination of the facts indicates that this responsibility has been greatly exaggerated and that, if anything, the railways have benefitted more from the increased business they have obtained from new industries founded on the motor vehicle and from the speeding up and stimulus that that instrument of transportation has given to all other industries than they have suffered from its competition.

Other and graver causes are responsible for the present plight of the railways. Most fundamental of all these causes is the fact that our railway system is overbuilt. For every 235 people in Canada there is a mile of railway, a lower number than in any other country in the world. Overburdened with capitalization and provided with new funds without stint by the government, our National Railways system has forced the privately-owned system also to expand its services lavishly and unwisely, at a time when general business was declining. This policy has resulted in such unwise undertakings as two large modern railway hotels in Halifax, a city of 59,000 population, which clearly could not support two such hostelries. It has resulted in the construction of a $4,000,000 hotel in Saskatoon, a city of 32,000 population, in the building of a second large railway hotel in Vancouver, already supplied with adequate accommodation, in the putting on of competing train services quite unjustified by the traffic offering and in other extravagant practices. Curtailment of these is evidence of their unwisdom in the first instance.

Need More Immigrants

This over-expansion of facilities and extravagances due to competition has done more to produce railway deficits than competition from motor vehicles or waterways or any other competitive form of transportation. The correction, already partially undertaken, consists not in hampering competing agencies of transportation but in the elimination of duplication, the practice of strict economy and increase in immigration to build the population up to our railway facilities. Our railways are not too big for our country, but they are too big for its present population.

Increasing Waterway Competition

Further, the increasing use of waterways, of pipe lines and the diversion of traffic through the Panama Canal has decreased the freight tonnage carried by vessels on the Great lakes has been steadily upward, and the opening of the new Welland Canal will undoubtedly accentuate water competition.

Indicative of competition of water transportation is the existence on the Great Lakes of large fleets of oil tankers operated by Imperial Oil, Ltd., B. A. Oil Co. and McColl Frontenac Oil Co. The Imperial Oil fleet on the Great Lakes has a carrying capacity of 120,000 barrels. The British American Oil Company fleet has been heavily added to in the last year. The trend towards water transportation is seen in the recent inauguration by Imperial Oil of a line of small tank steamers on the Ottawa River to supply from Montreal a bulk station at Ottawa serving the Ottawa valley. Formerly the petroleum products carried by this line were shipped by rail.

Railways Fail to Broaden

It cannot be denied that the failure of the railway managements to adopt other efficient and necessary forms of transportation and thus broaden the basis of earning power has been reflected in decreasing earnings. Railway managements, despite occasional statements to the contrary, appear to have reposed too long in the view that it was their duty to provide and sell railway service only, as distinct from transportation. They have not yet really begun to make use of and co-ordinate with the railways the service given by airplanes and motor trucks and buses, notwithstanding that both forms of transportation have demonstrated their efficiency in their own specialized fields.

Their attention has been fixed too exclusively on the long haul. They should have been entering upon both motor truck and motor bus services ten years ago and thus preparing for the gradual obsolescence of their expensive freight and passenger terminals which the two last-named agencies of transportation are bringing about. Other interests did not overlook the opportunity and as a result of their pioneering now have valuable vested rights. That the railways will have to utilize both truck and bus in conjunction with their rail service if they wish to retain short-haul and small lot traffic is abundantly clear.

Is Highway Competition Fair?

While railway executives, judging from their public utterances, have taken competition from waterways, airways and pipe-lines as a matter of course and appear to think if fair, they have protested vigorously against motor vehicle highway competition, especially that of the bus and the truck. They allege that highway transportation is unfairly subsidized in that the government provides the right-of-way for which motor vehicles are not adequately taxed, while the railway has to provide its own right-of-way. Let us examine these contentions carefully in order to discover whether such discrimination in favor of the motor vehicle actually exists.

For centuries it has been the settled policy of all governments in civilized countries to encourage transportation. Our waterways and our railways have been the principal beneficiaries of this policy and have received much more from governments than has highway transportation. As at March 31, 1931, the government had expended $225,909,708 on the capital cost of the Canadian canal system, which it provides free of all tolls to waterborne traffic. It also bears the cost of maintenance and operation, which in 1930 amounted in net figures to $1,419,813. In addition, the Department of Marine annually spends large sums on waterways, ports and aids to navigation. The net expenditure of this department in 1930 on such service was $22,697,972.

Large Grants to Railways

The railways themselves have been the greatest beneficiaries from the public treasury. Dominion, provincial and municipal governments have given hundreds of millions of dollars in cash grants, while the Dominion Government and the Provincial Governments have also given millions of acres of land. In addition, the principal of bonds and interest and dividends on bonds and stocks have been guaranteed, while over half a billion dollars expended on Canadian government railways was turned over to our present Canadian National Railway system. The table below gives details of this aid given to railways:

Government Aid to Railways

Cash grants—		
Dominion	$176,693,510	
Provincial	33,210,615	
Municipal	12,988,128	
		$222,892,253
Land grants, 47,290,566 acres @ $3		141,871,698
Expend. on Can. Gov't. Rlys. (Now included in Can. Nat'l. System)		501,638,525
Bonds guar. by the Dom. Govt.		703,844,873
Perpetual deb. stock and guar. deb. stock of G. T. P. on which divids. and int. are guar. by Dom. Govt.		216,207,141
		$1,786,454,490

Miles of rly. operated Dec. 31, 1931—42,975

Aid per mile of rly. operated—$42,458.

A conservative valuation of $3 per acre is assigned to land grants. Heavy deficits having been incurred, Canadian National bonds guaranteed are included in their face amount, and perpetual debenture stock and debentures on which interest is guaranteed are also included at face value, since the perpetual payment of interest and dividends is equivalent to a grant of that amount of money. All told, this aid totals $1,786,454,490, or an average of $42,458 per mile. What a wonderful highway system we would have if aid on any such scale had been extended to highways. If any transportation system ever had its road provided for it at the public expense it has certainly been the railways. And it is at least anomalous that railway proponents should now object to the alleged unfairness of government providing a right-of-way for a competing form of transportation, viz., highway motor transportation.

Canada's Highway System

Let us now look into the situation as regards highways. The extent and character of our system of highways is indicated by official figures which show that earth and gravel roads comprise 385,223 miles, or 97.6 per cent of our total highway mileage of 394,375 miles. These are the type of roads which we would have expended almost as much money on without the automobile as with it. The "paved" roads—macadam and concrete—constitute only 2.4 per cent of the total highway mileage. These are the kind of roads for the construction of which the motor vehicle is largely responsible.

Another striking fact is that Ontario and Quebec have an overwhelming preponderance of the better-grade highway facilities of the country. For instance, Ontario has 55.6 per cent and Quebec 16.5 per cent, a total for the two provinces of 72.1 per cent, of the "surfaced" highways of the country, if we include gravel and macadam and concrete roads in the term "surfaced." Of the "paved" highways, that is, macadam and concrete, Ontario possesses 6,192.9 miles or 67.5 per cent, and Quebec 2,032.5 or 22.2 per cent, a total for the two older provinces of 8,235.4 miles, or 90 per cent

(Continued on page 19)

"Fair Field—No Favors" Ask Automobile Interests

Conclusion of Brief on Motor Highway Transportation Submitted to Royal Commission by C. A. C. of C.

"We believe that the railways, through the working of relentless economic forces, must and will go into the motor truck and bus business, and that public authorities should afford them facilities to do so in competition with those interests that have pioneered in that form of transportation.

"We believe it to be unwise for railway interests to endeavor to secure restrictive and punitive regulations on motor vehicle highway transport which, as we have shown, is more than paying its way, and in some provinces, very much more than paying its way; and that any attempt by the railways to use public sentiment in favor of such laws as are necessary to make the highways safe for public travel and protect them against undue wear, as cover under which artificially to perpetuate obsolete facilities and practices will, in time, most severely react upon themselves.

"The public should have, without delay, the benefits that will accrue from the co-ordination of highway transportation with railway transportation, and in this process of co-ordination highway transportation asks only for a fair field and no favors, —but it does ask for a fair field."

SAYS EXORBITANT TRUCK TAXATION IS DESTRUCTIVE

Ontario Motor League Official Appears Before Royal Commission

Presenting the case of the motor vehicle owner in regard to higher taxation before the Royal Commission on Railways and Transportation, W. G. Robertson, secretary of the Canadian Automobile Association, assessed the cost to Canada in the past 12 years of the higher standard of road construction occasioned by motor vehicle usage at $400,000,000, and estimated the total contribution of motor vehicle owners at $450,000,000. This amount was made up of payments to provincial treasuries for licenses, gasoline taxes and miscellaneous items to the total of $250,000,000 and to the Federal Government of another $200,000,000 in customs and excise duties.

He drew the conclusion from the foregoing figures that motor vehicle owners could not be charged with running the country into debt on their account, nor the authorities with over-expenditure on highways.

Taxes Not Earmarked

While the provincial highway debt outstanding at December 31, 1930, had been estimated by the Dominion Bureau of Statistics at $326,658,978, it must be kept in mind, said Mr. Robertson, that in most of the provinces all special taxes collected from motorists have been added to the general revenues and not earmarked for road-building purposes, and therefore the total debt had little bearing upon the question of net cost of roads in relation to revenues from motor vehicle owners as such. In Ontario, he added, the revenue from license fees and gasoline tax during the past few years had been much more than sufficient to meet the entire outlay on construction and maintenance of provincial highways. Moreover, newer types of Commercial vehicles, equipped with pneumatic tires, place little more strain on properly built highways than do the heavier passenger cars.

It was pointed out in estimating the revenues accruing to the country from motor vehicles no account had been taken, apart from duties and excise taxes, of the large revenues for which the automobile had been responsible. It was one of Canada's chief assets, he said, giving employment to many thousands of persons and having a tremendous capital investment. Accumulated production of Canadian factories it was pointed out, was in excess of two million motor vehicles having a wholesale value of over 1½ billion dollars.

Tourist Revenue Important

The enormous revenue attributable to the motor tourist made a substantial contribution to the country's sources of income, and in this year being looked to as an agency which should materially assist in restoring the Canadian dollar to parity with the United States dollar. Without good roads this source of income would be largely cut off, while completion of the missing links in the trans-Canada highway was being looked forward to with eagerness by the motorists of Canada. This would still further increase the volume of tourist traffic, tend to prolong the average time spent by tourists in Canada, and thereby increase the average expenditure made by them in Canada.

With regard to the fees that should be collected from owners of buses and common carriers doing a general public transport business, and from contract carriers carrying the goods of special customers, it was emphasized that the placing of too steep a rate of taxation upon these would mean the transfer of business from them to trucks which would be purchased and operated by the larger business concerns on their own account, leaving the burden to be shared by the smaller business concerns and their customers.

In conclusion it was pointed out that the increased use of motor vehicles in Canada reflected the public need for a mobile, expeditious and individual form of transportation and should not be subjected to exorbitant taxation, which in the end would defeat its purpose.

Apple Exports From Halifax

Apple exports from Halifax to December 27th were well ahead of the figures for the period in 1930. Total shipments to that date through Halifax for British and Continental markets reached 713,299 barrels, compared with 583,638 to the same period in 1930.

London Hopes to Get Mortgage Meeting

From Our Own Correspondent

LONDON, ONT.—Officers of lending institutions in this city are delighted that there is a strong prospect that the annual meeting of the Dominion Mortgage & Investment Association will be held here this spring. Meetings have in the past alternated between Eastern Canada and Western Canada and the eastern meetings have usually been held in Toronto.

London has a number of important financial institutions with large loans outstanding including the London Life, the Huron and Erie Mortgage Corporation, Ontario Loan and Debenture Corporation, and London & Western Trusts, and most of them are members of the association. No meeting has ever been held in London, but an invitation for such a meeting has gone to the association and it seems likely that it will be accepted.

BUSINESS TOTAL OF CROWN LIFE NOW $136,684,200

Insurance Issued During 1930 Totalled $21,762,000; Assets Higher

New insurance issued by Crown Life Insurance Co. during 1931 totalled $21,762,000 as compared with $29,185,619 the previous year, according to the report submitted at the company's annual meeting this week. Total business in force increased by $2,300,000 during the year, the figure at the end of 1931 being $136,684,200. Total assets are also higher at $16,154,000.

Analysis of assets shows an increase in the total amount of mortgages held by the company which now amount to $7,223,000. The company reports that total interest overdue, even for a day, on December 31 was only $3,309, or less than one-twentieth of 1 per cent of the principal. Mortgages comprise 43 per cent of total assets of the company and are considerably more than half the company's invested assets apart from policy loans and head office property.

Expenses Lower

Government and municipal bonds held by the company and taken at year-end values comprise 19 per cent of total assets; public utility and industrial bonds are 7 per cent and common stocks, 3 per cent. In view of the substantial decline in the market value of all securities the company reports it is following a policy of strict conservation of the company's resources and that accordingly, general expenses were reduced during the year by $141,334 as compared with $141,334. The company has also lowered its scale of dividends both to policyholders and shareholders, according to a statement made at the annual meeting by Rt. Hon. Sir Robert Borden, president of the company.

The company maintained a high rate of interest earned on its ledger assets, namely, 6.19 per cent.

Surplus over and above capital stock shows a decline of $370,000 to $487,400 as compared with $857,500 a year ago.

Comparative figures of leading items are as follows:

	1931 $	1930 $
Business		
New ins. issued	21,762,533	29,185,619
Ins. in force	136,684,208	134,337,107
Income		
First year prem. ..	550,388	658,009
Renewal prem.	3,279,406	3,119,728
Interest & rents ..	930,086	857,860
Assets, Etc.		
Mortgages	7,223,026	6,646,189
Govt. & mun. bonds	8,083,332	4,325,835
Other bonds	1,230,780	
Stocks	461,830	471,150
Policy loans	2,928,441	2,849,334
Surplus	487,425	857,510

Seek Solution Lumber Problems

Among the problems to be taken up by the Forest Resources Commission of the Province of Quebec, recently appointed by Hon. Honore Mercier, Minister of Lands and Forests, are: An inventory of the forest resources of Quebec, recommendations for preparation, measurement and trade-marking of lumber and for seeking new markets. The commission will study not only Quebec's resources, but the resources of Ontario and the Maritimes which are competitors with Quebec, and steps will be taken to stimulate the lumber industry in this province.

U.F.A. REVENUES DROP SERIOUSLY BECAUSE OF POOL

Radicals Held in Check By Alberta Farmers' Meeting

From Our Own Correspondent

EDMONTON.—Robert Gardiner, M.P. for Acadia, and leader of the U. F. A. group in the House of Commons, was re-elected president of the United Farmers of Alberta at the annual convention of that body in Edmonton, last week. Mr. Gardiner had succeeded H. W. Wood in the presidency the previous year.

The United Farmers of Alberta is very much reduced in membership from its great days of several years ago. A male membership of 10,000 was reported, supplemented by about 3,500 in the women's and junior branches, a shrinkage from a year ago of about 4,000. The financial statement showed a deficit of $5,000 for the year, expenses being approximately $20,000 against a revenue of $15,000. The association had suffered heavily from the wheat pool situation, as a large part of the membership had paid fees in requisitions on the pool, which were uncollectible on account of there being no credit balances due members out of which they could have been met. While an attendance of 500 was announced, the actual number of active members of the senior association in attendance appears to have been about 300. Important votes showed about 200 delegates voting.

Attempt to Check Radicals

The convention in some of its resolutions, and to a greater extent in its debates, displayed a good deal of radicalism, checked occasionally by leaders, particularly Dominion members of the U. F. A. group. Abolition of the gold standard, "social control" of currency and credit, nationalization of land, and similar doctrines were expounded. The turning over of provincial police work to the Dominion police force was attacked on the ground that it might lead to military checking of popular uprisings, although the actual vote on this question supported the action of the provincial government.

Premier Brownlee succeeded in checking a demand for a moratorium on debts, by showing the harm such action would lead to respecting the credit of the province and of individuals.

Interest in Federal Affairs

Under the leadership of the U. F. A. members of the Dominion parliament, who were much more active in the convention than were members of the provincial legislature, presumed to be under U. F. A. control, the meeting showed a great tendency to interest in Dominion politics. A demand for a bonus on agricultural production, to compensate for the tariff benefits given to manufacturers, was withdrawn, after it had passed, in order to leave the organization freer to fight tariffs. In addition, it was resolved to seek the support of other provincial farmers' organizations in joint political action. Shifting of the centre of gravity of the organization, from a provincial basis to a political organization with its main interest at Ottawa, was decidedly evident. This appears to have been one result of the change in leadership from Mr. Wood, who kept his interest largely provincial, to Mr. Gardiner, whose political interests are at Ottawa.

An expected controversy on the subject of trading activities undertaken by the U. F. A. did not develop. There has been a great deal of feeling on the part of the organizations connected with the Alberta Co-operative Wholesale that the U. F. A. was improperly invading their field, but discussion of the trading activities, although carried on at a private session, passed off without serious difficulty.

Pool Bought Paper

The ability of the association to carry on publication of its paper, the "U. F. A.," was under discussion. It developed that $17,000 revenue was derived from subscriptions paid for by the provincial Wheat Pool, and whether or not such assistance would be forthcoming in the future was a matter of doubt.

The convention refused to ask for a delay in institution of separate grades for Garnet wheat, although recognizing that such grading might lead to lower prices for Garnet, which is grown very largely in the northern part of the province.

Province of Ontario

5½% and 6% Debentures
(Non-Callable)

These debentures are direct obligations of the Province of Ontario and are payable, principal and interest (February 1 and August 1), out of the Consolidated Revenue Fund of the Province. Denominations $1000 and $500.

15-Year Debentures — Due 1947
Price 96 and interest, to yield 5.90%
(Plus Transfer Tax)

Full details and information upon request. Orders may be telephoned or telegraphed at our expense.

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DIVIDEND NOTICES

CANADIAN HYDRO-ELECTRIC CORPORATION LIMITED

NOTICE OF DIVIDEND ON 6% CUMULATIVE PREFERRED STOCK

Ottawa, Canada,
January 19, 1932.

The Board of Directors has declared a quarterly dividend of 1½% ($1.50 a share) on the shares of 6% Cumulative First Preferred Stock of the Corporation payable in cash March 1st, 1932, to holders of record of such stock at the close of business February 1st, 1932.

Cheques will be mailed. Stock transfer books will not close.

J. R. BINKS,
Secretary.

Canadian Car & Foundry Company, Limited

DIVIDEND NOTICE— PREFERENCE STOCK

Notice is hereby given that a dividend of forty-four cents (44c) per share on the paid-up Preference Stock of the Company for the quarter ending March 31st, 1932, has been declared, payable on the 9th day of April, 1932, to Shareholders of record on the 26th day of March, 1932.

By order of the Board.
A. C. BOURNE,
Secretary.
Montreal, January 25th, 1932.

The Canadian Bank of Commerce

Dividend No. 180

Notice is hereby given that a dividend of Three per cent on the paid-up capital stock of this Bank has been declared for the quarter ending 29th February, 1932, and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st March next, to shareholders of record at the close of business on the 30th day of January, 1932. The Transfer Books will not be closed.

By Order of the Board,
S. H. LOGAN,
General Manager.
Toronto, 22nd January, 1932.

BLUE RIBBON CORPORATION LIMITED

NOTICE is hereby given that a dividend of Fifty cents (50c) per share on the preferred shares of the Company has been declared payable on and after February 1, 1932, to shareholders of record on January 28, 1932.

DATED at Toronto this 22nd day of January, 1932.

J. C. JAMIESON,
Secretary-Treasurer.

Standard Paving & Materials Limited

PREFERRED DIVIDEND NO. 12

Notice is hereby given that the regular dividend of $1.75 (being at the rate of $7.00 per annum) per share, has been declared on the Cumulative, Convertible, Redeemable, Preferred shares of Standard Paving & Materials Limited, for the period ending January 30th, 1932, payable February 15th, 1932, to shareholders of record at the close of business January 30th, 1932.

By order of the Board,
N. C. SHIPMAN,
Secretary.
Toronto, Ontario, January 25th, 1932.

Consolidated Sand and Gravel Limited

PREFERRED DIVIDEND NO. 15

Notice is hereby given that a dividend of $1.75 per share (being at the rate of $7.00 per annum) has been declared on the Preference Shares of Consolidated Sand & Gravel Limited, for the period ending February 15th, 1932, payable February 15th, 1932, to Shareholders of record at the close of business January 30th, 1932.

By order of the Board,
A. M. HARNWELL,
Secretary.
Toronto, Ontario, January 25th, 1932.

BANK OF MONTREAL

Established 1817

DIVIDEND No. 275

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after TUESDAY, the FIRST day of MARCH next, to Shareholders of record at close of business on 30th January, 1932.

By Order of the Board,
W. A. BOG, General Manager
JACKSON DODDS, General Manager
Montreal, 19th January, 1932.

The Royal Bank of Canada

DIVIDEND NO. 178.

NOTICE is hereby given that a dividend of three per cent. (being at the rate of twelve per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Tuesday, the first day of March next, to shareholders of record at the close of business on the 30th day of January.

By order of the Board.
M. W. WILSON,
General Manager.
MONTREAL, Que., Jan. 15, 1932.

TORONTO GENERAL SHOWS EARNINGS $13.28 PER SHARE

Assets $5,000,000 Higher and Deposits Up Over $2,000,000

Net earnings of $13.28 per share after expenses and taxes but before write-offs for premises and equipment, as compared with $15.21 per share on the same basis in 1930, are shown by Toronto General Trusts Corp. in the company's annual statement published this week and which will be presented to shareholders on February 5.

Net earnings for the year were $468,506 from which $70,000 was paid in taxes, $14,398 in premises write-off, and $12 per share in dividends. A year ago the company wrote off $55,927 to premises and office equipment.

$200,000 Written Off

The company wrote off $200,000 from surplus account as special investment reserve. Profit and loss surplus is now carried forward at $81,823 as against $257,700 a year ago. Comparative figures for 1931 and 1930 are as follows:

PROFIT AND LOSS ACCOUNT
Years Ended Dec. 31

	1931	1930
	$	$
Net earnings†	468,506	516,230
Less: Res. for taxes	70,000	60,000
	398,506	456,230
Less appropriations:		
Dividends	360,000	360,000
W/o premises	14,399	55,927
Surp. for year	24,108	40,303
Add: Prev. surplus	257,715	217,412
Less: Invest. reserve	200,000	....
Bal. carried forward	81,823	257,715

†After all management expenses, directors' and auditors' fees, advertising, rents, and all other charges.

‡Includes amount written off equipment also.

Earn. per Share and Dividend Record:

	1931	1930
Earned*	$13.28	$15.21
Earned†	12.80	18.34
Paid	12.00	12.00

*Before appropriations for premises and equipment.

†After appropriations for premises and equipment.

Total assets are approximately $5,000,000 higher than at the end of 1930 due to an increase of nearly $3,000,000 in assets of estates, trusts and agencies under care of the company and an increase of $2,300,000 in guaranteed trust account. Capital account is slightly lower than a year ago. Under capital account the company shows an increase in value of real estate held for sale, that item standing at $629,710 as compared with $397,000 at the end of 1930 while loans and advances to trust estates are also higher at $521,000. Bonds and stock held and call loans on debentures bonds and stock are lower than a year ago at $43,900 and $93,606.

Mortgages Higher

In guaranteed trust account mortgages held stand at $14,448,000 as against $13,317,000 a year ago while interest due and accrued on these mortgages is higher at $732,000 as compared with $567,000 at the end of 1930. Value of securities held are all higher than a year ago, the most important increase being in Canadian municipal debentures which are just over $1,000,000 higher at $4,284,000. Call loans are lower on both government bonds and on other securities. Cash in bank is more than doubled at over $1,000,000 as compared with $404,900 a year ago.

Among liabilities, funds on deposit show a substantial increase at $6,203,000 as compared with $4,132,000 at the end of last year. Reserves and surplus show no change with the exception noted above that $200,000 has been written off as investment reserve.

Algoma C. and H. B. Rly. Capital is Reorganized

From Our Own Correspondent

MONTREAL.—Algoma Central and Hudson Bay Railway Co. 5 per cent non-cumulative preference stock trust certificate holders have been notified that the share capital has been reorganized, and now consists of $500,000 non-cumulative non-voting preference stock redeemable, at the option of the company, in whole or in part at three months notice, and 420,755 common shares of $10 par value each. The committee has surrendered its certificates.

NOTICES

The Montreal City & District Savings Bank

The Annual General Meeting of the Shareholders of this Bank will be held at its Head Office, 262 St. James Street West, Montreal, on Monday, the Eighth of February next, at Twelve o'clock noon, for the reception of the Annual Reports and Statements and the election of Directors.

By Order of the Board,
T. TAGGART, SMYTH,
General Manager.
Montreal, January 11th, 1932.

MONTREAL TRAMWAYS COMPANY

Annual General Meeting

NOTICE is hereby given that the Annual General Meeting of the Shareholders of the Montreal Tramways Company will be held at the Company's Offices, Tramways Building, 159 Craig Street West, Montreal, at 12 o'clock noon, on Thursday, the 31st day of March, 1932, for the reception of the Annual Report, Election of Directors, and the transaction of such other business as may legally come before said Meeting.

The Transfer Books will be closed from the 11th day of March to the 30th day of March, both days inclusive.

By Order of the Board,
PATRICK DUBEE,
Secretary-Treasurer.
Montreal, January 25th, 1932.

THE TORONTO GENERAL TRUSTS CORPORATION

Notice is hereby given that the Annual General Meeting of the Shareholders of The Toronto General Trusts Corporation will be held at the Head Office of the Corporation at No. 253 Bay Street, in the City of Toronto, on

Wednesday, the 3rd Day of February, 1932,
At the Hour of 12 o'Clock Noon

to receive and consider the Annual Report and Financial Statement of the Corporation for the year ended the 31st December, 1931, to elect Directors for the ensuing year, and for the transaction of such other business as may be brought before the Shareholders.

By Order of the Board of Directors
W. G. WATSON,
General Manager.
Toronto,
January 23rd, 1932.

Canada Bud Earned $350,000 in 1931

Gross earnings of Canada Bud Breweries Ltd., are expected to be about $350,000, according to D. M. McLaren, president of the company, and on this basis would amount to approximately $2.33 per share on the 150,000 no par value shares outstanding. An audited statement of the company is in course of preparation.

In a letter forwarded to shareholders on January 14 it was stated that sales had increased by 24 per cent over sales in 1930 excluding business done by City Club Breweries Ltd., acquired during 1931. Earnings in 1930 amounted to $1.98 per share, after write-offs, on the 126,000 shares of stock then outstanding.

NATIONAL TRUST SHOWS EARNINGS OF $15 PER SHARE

Holdings of Bonds Much Higher While Call Loans Decline

Net earnings after taxes of $15 per share as compared with $17.88 in 1930 are reported by National Trust in the 34th annual report of the company issued this week. Net profits available for dividends but before deduction of $96,149 for taxes were $546,040 as against $614,463 a year ago which left a small surplus for the year after payment of regular dividend of $14 per share.

Total balance now carried forward in profit and loss account is nearly $280,000, comparative details for 1931 and 1930 being as follows:

PROFIT AND LOSS ACCOUNT
Years Ended December 31

	1931	1930
	$	$
Net profits*	546,040	614,463
Less: Prov. for taxes	96,148	80,914
	449,892	533,549
Less appropriations:		
Dividends	420,000	420,000
Surplus for year	29,892	113,549
Add: Prev. surplus	249,965	136,416
Bal. carried forward	279,857	249,965

*After deducting cost of management, directors' and auditor's fees, contingencies, etc.

Earn. per Share and Dividend Record:

	1931	1930
Earned	$15.00	$17.78
Paid: Dividend	14.00	14.00

Assets Up $3,300,000

Total assets which include $237,979,850 in estates, trusts and agency account, are $3,300,000 higher than a year ago at $265,662,000. Of this increase, $2,600,000 is attributed to an increase in estates, trusts and agencies under account, and the remainder to an increase in guaranteed trust account which now amounts to $21,244,000. Capital account shows practically no change during the year, the 1931 figure being $6,438,000.

In both these latter accounts the most important change is the substantial increase in holdings of Dominion and provincial bonds, this item in capital account being up from $10,000 a year ago to $227,142, while guaranteed trust account holdings of these bonds is $4,192,000 as compared with $1,756,000 at the end of 1930. Against this increase, call loans on stocks and bonds show substantial reductions, the total in guaranteed trust account being only $91,247 as compared with $2,465,000 at the end of 1930.

Among liabilities, trust deposits are $1,000,000 higher at $14,636,000 while reserves and capital stock remain unchanged at $3,000,000 each.

ONTARIO LOAN CO. EARNED 13.9 P.C. ON CAPITAL IN '31

Compares With 15.5 p.c. in 1930; Assets Down $860,000

Ontario Loan & Debenture Co. had a net profit on 1931 operations of $277,841 after all deductions, compared with $290,558 for the previous year. Earnings for 1931 were equivalent to 13.9 per cent on the paid up capital of $2,000,000, while in 1930 the rate was 15.5 per cent. The company's shares have a par value of $50 so that 1931 earnings were $6.94 per share as compared with $7.76 in 1930.

Dividends were paid at the former rate of 12 per cent, after which a surplus of $37,841 was carried to profit and loss account, this comparing with $66,866 at the end of the previous year. After providing $6,174 for additional taxes in respect of 1930 profits and adding last year's surplus of $41,876, a balance of $73,543 was carried forward.

Comparison of earnings for the two years follows:

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1931	1930
	$	$
Net earnings*	305,907	315,223
Less: Prov. for inc. tax	28,066	24,665
Net profits	277,841	290,558
Less appropriations:		
Dividends	240,000	223,692
Surplus for year	37,841	66,866
Add: Prev. surplus	41,876	49,695
Less: Transf. to res.	....	†74,685
Addit. tax 1930	6,174	....
Bal. carried forward	73,543	41,876

*After payment of provincial and municipal taxes, interest, expenses and charges, and after making provision for possible losses and contingencies.

†In addition to the amount of $125,315 premium on new stock issued.

Earn. per Share and Dividend Record:

	1931	1930
Earned*	$6.94	$7.76
Paid	6.00	6.00

*Based on average paid-up capital.

Assets Higher

Total assets increased during the year from $12,785,000 to $13,644,000, of which mortgages represented $11,528,000, these showing an increase of about $800,000 over the 1930 figure. Value of office premises was increased to $90,000 from $40,000, the difference representing the purchase price of an adjoining property acquired for future expansion. Real estate held is valued at $79,430 compared with last year's figure of $20,500.

Dominion, provincial and British securities held was up to $637,000 compared with $497,000. Dominion and provincial guaranteed securities at $413,600 were about $4,300 higher than a year ago. Loans on stocks and bonds were reduced from $190,000 to $69,000.

Deposits up $240,000

Cash in banks showed a substantial expansion, due to an increase from $20,000 to $62,758 held in British banks. The total is $279,541 as against $241,156 last year. Deposits were nearly $240,000 heavier at $1,293,302. Sterling debentures, including interest, amount to $769,482 compared with $745,753, while currency debentures totalled $6,207.397 compared with $5,646,394. These and "other liabilities" brought the total of liabilities due to the public up to $8,310,639 as against $7,483,087. Reserve fund remains unchanged at $3,200,000.

Consolidated Press Dividend is Passed

Consolidated Press Ltd. has passed the dividend on the class A stock due normally on February 1 due to uncertain business conditions in the immediate future. Earnings of the company in the nine months ended December 31, 1931, amounted to $104,000 and after deducting debenture interest and allowance for depreciation there remained a balance of $45,000 available for the common stock. During the same period $75,000 was paid out in dividends on the class A shares of which there are 50,000 shares outstanding.

In the 15 months ended March 31, 1931, the company had net earnings of $345,387 before depreciation. Earnings in that period amounted to $3.07 per share on the class A stock.

Moody Bonds Get About 15 Cents on $

From Our Own Correspondent

MONTREAL.—Assets of Matthew Moody & Sons Co., in bankruptcy since May, 1930, have been sold to L. S. Tarsish & Sons, Montreal. It is expected that bondholders will receive between 15 and 20 cents on the dollar when the deal is finally completed. The Moody Company, formed over 85 years ago, manufactures agricultural implements at Terrebonne, Que.

Capitalization comprises $250,000 of 6½ per cent bonds; $250,000 of 7 per cent preferred stock and 7,500 shares of no par value common. High inventories and lack of working capital brought about bankruptcy proceedings; D. L. Ross was appointed trustee and continued to operate the company as a going concern.

HIGH EARNINGS SHOWN IN REPORT TORONTO SAVINGS

Earnings of $20,98 per share as compared with $21.25 in 1930, are shown in the 47th annual report of Toronto Savings & Loan Co. of Peterborough, published this week. Total net earnings after all expenses of management were $209,836 which enabled the company to pay its regular 14 per cent dividend plus a bonus of 6 per cent, and carry forward $81,118 into profit and loss surplus which compares with $71,282 carried forward a year ago.

PROFIT AND LOSS ACCOUNT
Years Ended Dec. 31

	1931	1930
	$	$
Net profit	209,836	212,526
Less: Dividends	140,000	140,000
Bonus	60,000	60,000
Surplus	9,836	12,526
Prev. surplus	71,282	58,756
Bal. carried forward	81,118	71,282
Earn. Per Share and Dividend Record:		
Earned	20.98	$21.25
Paid	14+6	14+6

Investments Change

Total assets show little change during the year at $6,087,423 although some changes in the various types of investment are noted during the year. For instance the company's holdings of government and provincial bonds are lower by $143,000 at $636,700 while municipal bonds held are higher at $382,200. Bonds and debentures other than the above show the most substantial change being lower by $553,000 at $724,000 than a year ago. Holdings of stocks show an increase at $2,035,075 as compared with $1,787,000 at the end of 1930. Cash on hand is also substantially higher at $379,329.

Among liabilities, deposits held show practically no change at $1,432,421 while currency debentures are also slightly lower at $1,598,790. Sterling debentures are $128,000 less than a year ago at $680,092.

February Dividends Total But $4,000,000

February, always a poor month for dividend distributions, will bring payments amounting to $4,095,424 from Canadian corporations as compared with $5,101,369 in 1931 and $7,946,299 in 1930. Eight companies have passed or deferred in recent weeks dividends that would normally be payable during February, and seven more have made reductions in their rate. Off-setting this action is no good news of any initial dividends or increases in rate.

Those companies which have passed dividends include Canadian Dredge & Dock Co., which has passed its common dividend; Penmans Ltd., which has deferred payment of common dividend; Consolidated Industries Ltd., Blue Ribbon Corp., Guelph Carpet & Worsted Mills Ltd., Ontario Steel Products Co., Consolidated Press Ltd. all of which have passed their common dividend and Frost Steel & Wire Co. which has passed its preferred dividend.

Canadian Bronze Co. has reduced the rate paid on its common stock to $1.25 per year from $2.50. Canadian Converters Co. has also cut its annual rate in half and will pay 50 cents per share on February 15. Dominion Bridge Co. has reduced the annual rate from $3 to $2.50; Granby Consolidated Mining & Smelting Co. from $1 to 50 cents. Canadian Car & Foundry Co. is now on a $1 per year basis as compared with the former rate of $1.75 and Russell Motor Car Co. dividend has been cut to $2 from $3 per year. Blue Ribbon Corp. has dropped its preferred dividend to a $2 per year rate from $3.25.

The dividend payments of Canadian corporations during February as announced up to January 26 have been compiled by The Financial Post as follows:

SUMMARY OF PAYMENTS

Dividends	$ 4,095,424
Bond interest	16,900,842
Total	$20,996,266

DIVIDEND PAYMENTS

Company	Rate	Date	Amount
Acme Farm. Dy. pfd.	3½s.	10	$ 23,275
Beatty Bros. "A"	25c.q	1	9,750
Do., 1st pref.	1¾q	1	18,750
Belding Corticelli c.	1¾q	1	13,115
Blue Ribbon, pref.	50c.q	1	14,430
B.C. Tel. 2nd pfd.	1½q	1	67,500
Calgary Pwr. pfd.	1½q	1	90,000
Can. Bronze	31¼c.q	1	25,000
Do., pref.	1¾q	1	12,600
Canadian Car, c.	25c.q	29	91,450
Can. Converters	50c.q	15	8,667
Can. Dredge, pref.	1¾q	1	1,474
Can. For. Inv. pref.	2q	1	35,034
Can. Investors, c.	15c.q	1	15,000
Canadian Oil, c.	25c.q	15	35,941
Cons. Sand & Grav. pf.	1¾q	15	18,938
Coast Breweries	46c.q	1	82,898
Disher Steel "A" pfd.	37½c.q	1	4,875
Dom. Bridge	62½c.q	15	321,219
Dom. Scot. Inv. pfd.	62½c.q	1	37,312
Dom. Tar, pref.	1¾q	1	81,818
Eastern Dairies, c.	25c.q	1	25,000
For. Pwr. Secs. pfd.	1½q	15	75,000
Foundation Co.	25c.q	15	21,150
Frost Steel, 1st pfd.	1¾q	1	14,980
Fuller Geo. (Can.) pf.	$1.50q	1	11,250
Granby Cons.	12½c.q	1	56,250
Guelph Carpet pref.	1¾q	1	14,966
Ham. Bridge, pref.	1¾q	1	36,562
Hollinger Mines	1%	25	246,000
Humberstone Shoe	60c.q	1	12,000
Imperial Bank	3q	1	210,000
Inter. Nickel, pfd.	1¾q	1	483,486
Inter. Util. prior pfd.	1¾q	1	51,335
Do., $3.50 pfd.	87½c.q	1	64,183
MacKinnon Steel pfd.	1¾q	1	9,625
Mtge. Corp. of N.S.	$1.75q	1	11,900
Neon Prod. of W. Can. pfd.	1¾q	1	4,500
Ont. Steel, pref.	1¾q	15	6,304
Penmans, pref.	1½q	1	16,125
Power Corp., c.	50c.q	20	222,979
Russell Motor	50c.q	1	4,000
Do., pref.	1¾q	1	21,000
Second Std. Royalties pfd.	1%	1	28,333
Service Stn. pref.	$1.50q	1	48,916
Do., Ser. "A" pfd.	$1.50q	1	22,425
Simpsons, pref.	1⅝q	1	182,812
South. Can. Pr. c.	25c.q	15	100,000
St. Law. Flour, pref.	1¾q	1	10,062
Stand. Pav. & Mat. pref.	1¾q	15	24,980
Steel of Canada	1¾q	1	201,250
Do., pref.	1¾q	1	113,684
Teck Hughes	15c.q	1	719,571
Weston, Geo., pfd.	1¾q	1	15,750
			$4,095,424

q—Quarterly. s—Half-yearly.

BOND INTEREST DUE IN FEBRUARY

Company	Rate	Int. Date	Due	Amount
Bishop Rlty.	7	1	1947	$ 10,500
Do.	6½	1	1950	9,750
Belanger, A.	6	1	Serial	23,862
Bloor St. G. Rlty.	7	15	1946	17,850
Do.	6½	15	1941	3,250
Canada Bread	6	1	1941	29,619
Canada Foundries	6	2	1942	5,832
Canada Machinery	6	1	1940	5,685
Can. Nat. Rly.	5	1	1970	450,000
Do.	5	1	1934	1,250,000
Do.	4½	1	1956	1,575,000
Do., Equip. Tr. 'G'	5	1	Serial	300,000
Can. Nor. Rly.	4½	15	1935	382,500
Can. P. & P. Inv. "A"	5	1	1958	62,500
Can. Steamships debs.	5	15	1943	74,200
Can. Vickers, "A"	6	1	1947	80,340
Cont. P. Prod.	6½	1	1943	17,598
Confed. Amusemts.	6½	1	1951	10,562
Dom. Tel. Secs.	5½	2	1978	27,500
Donna. Pap. "A"	6	1	1948	138,000
Do., 1st mtg. 'A'	5½	1	1948	188,480
Drum. St. Rlty.	6½	1	1942	17,306
Drumheller Coll.	7	1	1943	12,271
Dryden Paper	6	1	1949	45,000
Frontenac Oil	6½	1	1947	32,500
Fed. Grain "A"	6	1	1949	124,770
Georgetown C. Pap.	6½	1	1945	6,195
Holt Renfrew	6½	1	1937	15,762
Lake St. John Pr.	6½	1	1947	162,500
Do., mtg. deb. 'A'	6½	1	1942	97,500
Lincoln Pulp	7½	1	1942	26,625
Low. St. Law. Pr.	7	1	1947	26,250
Do., 2nd mtg.	8	1	1932	14,000
Maclaren Que. Pr.	5½	1	1961	330,000
Med. & Dent. Bldg.	6	15	1944	30,000
Mex. L.H. & Pr.	5	1	1940	272,000
Mtl. Dry Docks	6	1	1948	19,320
Nat. Grocers	6½	15	1932	42,558
Pacific Coast Term.	7	1	1948	10,500
Price Bros.	6	1	1943	345,408
Restigouche Co.	5½	1	1948	52,250
Shawinigan "C"	5	1	1970	375,000
Stock Ex. Bldg.	6	1	1944	16,500
Suburb. Rap. T.	5	1	1938	12,500
Walmsley, Chas.	6	1	1943	24,600
Wood, A. & J.	6	1	1944	9,042
Corporation bonds				6,783,815
Provincial				*3,820,000
Municipal				*5,285,027
Dom. Loan (1926)	4½	1	1946	1,012,500
				$16,900,842

*Figure is determined by dividing by twelve the ultimate total interest payable during the year on this basis.

Russell Motor Car Dividend Reduced

Russell Motor Car Co. common dividend was reduced to 50 cents per quarter with the payment declared payable February 1 to shareholders of record December 31, 1931, and was not passed as stated in error in The Financial Post of January 23. During 1931, the company paid two dividends of 1¼ per cent and two dividends of ¾ of 1 per cent on the common stock a total of $4 on the $100 par value shares.

The company has continued payment on the preferred shares at the rate of 7 per cent per year. Preferred dividends have been paid regularly since 1917 when arrears of 29¾ per cent were paid.

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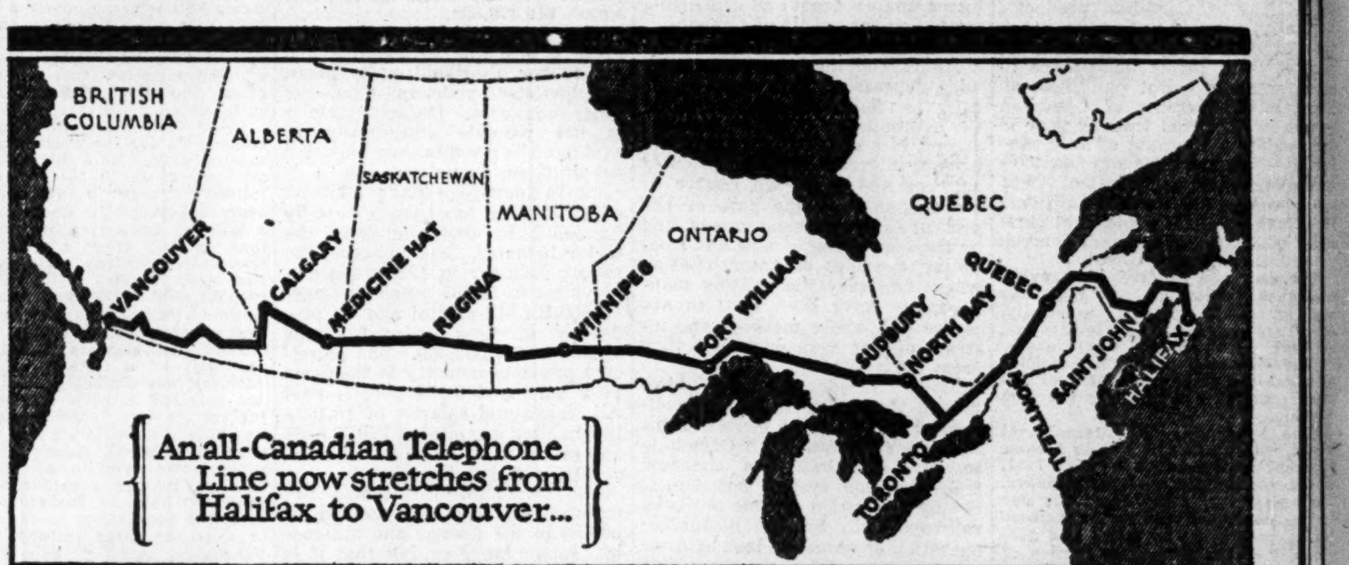

From Sea to Sea...

You can now speak between Halifax and Vancouver, or intermediate points, by an All-Canadian telephone line which stretches 4,263 miles across the provinces. This nation-wide system is a new link in Canadian unity — a practical expression of the purpose which confederated this Dominion "from sea to sea."

The All-Canadian telephone line is an important advance in Canadian telephone development. It is equipped with twenty-two repeater stations at strategic points and with every modern scientific device to ensure highest quality of transmission. It gives Canadians direct, rapid, and economical communication throughout the Dominion.

This great project is the result of ten years of co-operative effort on the part of Canada's seven major telephone systems, assisted by Canadian Pacific Railway Company's Telegraphs whose pole lines are used in certain sections. Each telephone system has assumed responsibility for mileage within its territory as follows:—

British Columbia Telephone Co.	659 miles
Alberta Government Telephones	418 "
Saskatchewan Dept. of Telephones	465 "
Manitoba Telephone System	242 "
Bell Telephone Company of Canada	1952 "
New Brunswick Telephone Company	385 "
Maritime Telegraph & Telephone Co.	142 "
Total	4263 miles

Regular Long Distance hours and rates apply to trans-Canada telephone service. Evening rates on "anyone" calls begin at 7.00 p.m. and still lower night rates at 8.30 p.m., based upon the time at the originating point of the call. Consult your telephone directory for list of rates.

The Bell Telephone Company of Canada is happy to be a part of the Trans-Canada System, which is equipped to serve not only the present but future needs of Canada. The System is a permanent asset to the Dominion and the Empire, providing the benefits of direct, high-speed service wholly within Canadian territory.

Reserve of Confidence Will Bring us Through Last Lap—Business Makes Strong Showing

Mr. S. J. Moore, President, and Mr. J. A. McLeod, Vice-President and General Manager, Speak at One Hundredth Annual Meeting of Bank of Nova Scotia Held in New Head Office Building, Halifax.

URGES PREPARATION FOR IMPERIAL CONFERENCE

Canada's Favorable Trade Balance May Reach Forty Millions in 1932, Says Mr. Moore. Mr. McLeod Calls for Balancing of All Budgets.

Mr. S. J. Moore, President of The Bank of Nova Scotia, in addressing the shareholders at the Annual General Meeting held in Halifax January 27 expressed satisfaction on the part of himself and the Directors at the Report laid before the meeting and stated that despite the generally unfavourable conditions under which operations were carried on in 1931, earnings had been satisfactory and the Bank's liquid condition well maintained.

He proceeded to analyze the situation which the world and Canada in particular had to face to-day. He emphasized that confidence had been severely shaken by the events of the past two years, instancing as a result the restrictions that had been placed on foreign exchange in many countries, the practical inability of nations to raise loans outside their own borders, the hoarding of currency in other countries, and the widespread "manifestation of an increasingly reckless spirit of nationalism. This has been expressed in many ways from time to time—in tense diplomatic relations between the governments; in growing expenditure for armament purposes; in reluctance to co-operate in the general interest of their peoples; in readiness to set up new barriers against the peaceful course of trade. We have learned that nationalism carried to excess can become a curse, and that the spirit of nationalism must be restrained if the lessons of the past few years are to be carried into practice."

He drew attention to the potentialities of inter-Empire trade and referred briefly to the forthcoming conference to assemble in Ottawa within the next few months.

Canada's Unique Position

"Canada occupies an unique position in the Empire," said Mr. Moore, "and should be able to make an important contribution to its deliberations, when the Imperial Conference re-assembles this year. We must recognize, however, that the problems to be discussed at this Conference are of an extraordinarily intricate character. We have to work out in detail all the possibilities of dovetailing products and markets in such a manner that the various industries in the different parts of the Empire shall, as far as possible, be complementary to one another and not in competition with one another. This demands a full equipment of expert knowledge, and the most careful preparation in the months before us if we are to reach the full possibilities of the Conference."

He dealt at some length with Canada's own problems stating that "business has made substantial progress during the year in adjusting itself to the altered conditions, by liquidation of inventories and severely cutting controllable expenses; also, by increasing efficiency, and seeking other lines and wider markets." He expressed the opinion that conditions in agriculture were improving and drew attention to the steady increase in Canada's favourable trade balance which he thought "might easily reach the proportions of forty million dollars or more for 1932, and would assist us materially in dealing with our balance of payments abroad." He warned against the dangers of over emphasizing pessimistic opinions and proceeded: "We can all of us vividly remember the war-weariness which characterized the last year of the Great War, and its influence upon the morale of the nations involved. We appear to be experiencing something similar with respect to this period of depression. As in 1918, so today, it is not unusual to hear current problems discussed as though the conditions against which we are now struggling were likely to be permanent; but these pessimistic views, which run counter to the teaching of experience, are not characteristic of the spirit of our people. There is a splendid reserve of confidence and courage in Canada, which will bring us through the last lap."

Conference Helpful

He took a hopeful view of the outcome of the conference that had been arranged over the next few months to consider international problems. "Statesmen and economists," said Mr. Moore, "are now striving to deal with the situation in the same way that the executives of our commercial and financial concerns have been obliged to deal with situations of smaller magnitude. Instead of acting upon prejudice and supposition, they are now dealing with facts; and it is to be hoped that agreement among them will hasten the time when the world will again be on the upgrade."

He stated that "the results of the many conferences upon which hang the possibilities of restoring the world market, and our own trade, to their normal conditions of activity, will not become evident for some time to come. In the meanwhile, with renewed confidence in ourselves, our country and our destiny, we should face the future in an undaunted spirit, resolved to profit by the experiences through which we have come, and with a faith that is justified by past experiences."

He concluded with a note of sober confidence. "The old year has become history. The new year is a challenge to our faith. On that sure foundation we must carry on, restoring our morale, rebuilding our fortunes, and assisting loyally in such plans as will bring peace and plenty in place of strife and poverty. Thus, and thus only, we may rest assured that we shall ultimately be the better for the testing time through which we have come."

New Head Office Building

Mr. Moore then asked Mr. J. A. McLeod, Vice-President and General Manager, to address the meeting. Mr. McLeod reviewed at some length the profits for the year and explained the changes in the amounts under the different headings of the balance sheet as compared with the previous year. He drew attention to the fact that the report presented to the meeting was the one hundredth laid before the shareholders, and also mentioned that for the first time the Annual General Meeting of Shareholders was being held in the Bank's commodious new Head Office building.

Mr. McLeod stated that in his opinion the collapse of credit in Germany and the departure of Britain from the gold standard had been the two outstanding events of 1931 which had had a profound influence upon the whole world. After the abandonment of the gold standard by Britain, Mr. McLeod stated that "the disposition of all owners of foreign balances was now to secure gold wherever it could be had; but the sole source from which gold could actually be obtained in large quantities, after September 21st, was New York. One of the most amazing events in recent financial history was the withdrawal from New York, in the six weeks following that date, of an amount of gold about equal to the whole of the gold reserve of the Bank of England before the panic began.

These conditions, persisting during June, July, August, September and October, effectively destroyed the prospect of immediate trade revival; and it is only within the last few weeks that more tranquil conditions have prevailed."

He referred to the good record of the Canadian banks under such difficult conditions. "I think we may claim, without immodesty, that the goodness of our own banking system, at least in its main outline, has been vindicated. An organization of credit resources, which places behind every branch in every part of the country the full strength of a great banking institution, is the best preventive of local panics, and the best safeguard against local epidemics of hoarding, such as have occurred elsewhere.

Strength to Withstand

No banker would be disposed to claim that improvements in detail are not possible. Such improvements have been made in the past, and will doubtless be made in the future. Nevertheless, the strength with which the Canadian banks have withstood the shocks of this depression, surely vindicates the main principle upon which their organization rests."

Mr. McLeod stated that in the prosperous years large amounts of new securities had been created and placed upon the market, and that as a result the burden of debt today was unduly heavy. He continued that "because recognition of the need for public economy has been reluctant and tardy, the necessity for new financing is still present; and imprudent borrowing in the past has made such new financing unduly difficult at the present time.

Budgets Must be Balanced

In this connection I cannot urge too strongly that one of our most urgent necessities in Canada is a scrupulous balancing of all budgets, whether Federal, Provincial, or Municipal; and that this object is far better realized, 'whenever possible, by retrenchment in expenditures, than by heavier taxation."

He expressed the opinion that "by the application of simple and time honored remedies that we shall best put ourselves in a position to take advantage of improved conditions for business, when they appear. I need hardly say that there is no panacea to be found, or it would have been found long ago."

He called attention to the many schemes that were being advanced to remedy conditions and referred particularly to the revival of the agitation in favor of silver as an additional currency standard. He stated that "if we coined all the silver that is available or held it in the form of a bullion reserve against a new note issue, we should increase the amount of money in circulation. But our principal need at present is not for more currency.

To no small extent (as everyone knows) our present troubles are connected with the maldistribution of gold in the world. So large a proportion of the world's gold is now centred in France and the United States that an embarrassing situation has arisen for other countries. This maldistribution of gold is not the result of chance. It has occurred inevitably, and for two principal reasons: firstly, because France and the United States are creditor countries on a very large scale; and secondly, because they have been unwilling to take payment except in the yellow metal on which their monetary systems are based.

Reorganize World Trade

If silver were to be made, together with gold, a standard money metal, would the situation be changed with regard to France and the United States? Everyone knows that the remonetization of silver would in itself do nothing to change it. Instead of a concentration of one money metal, gold, in the vaults of these two countries, we should, under a bi-metallic system, witness a steady stream of gold and silver to them, with a consequent embarrassment of the debtor countries, exactly the same as at present. In order to strike at the root of this problem, we need not to find a new monetary standard, but so to reorganize world trade and world finance as to relieve the debtor countries from this constant drain of specie, which would be just as harmful to them if it involved a concentration of two metals, as it is at present when it involves a concentration of only one.

He also dealt with the oft advocated policy of credit inflation as a restorative to business, and in dealing therewith instanced the experience of the United States as an evidence of the impossibility of improving business by such methods. "For eighteen months," said Mr. McLeod, "after the depression began—indeed, until the grave crisis of last summer—conditions of easy money prevailed in the United States. It is doubtful whether at any time in the past funds have been available for so long, in quantities as great, and at such low rates. Nevertheless, and despite this condition, business has become increasingly less active, and with the absence of demand in the markets, the prices of commodities have steadily sagged downwards; until today, on an average, they are about 30% below those prevailing in 1929.

Whatever may ultimately prove to be possible, as the result of concerted international action along these lines, by the great Central banks of the world acting in concert, there is no question but that the banking systems of the great western nations are individually powerless to bring about the desired result, through the manipulation of banking credit."

Canada's Strong Showing

As for the coming year he felt that the outlook was obscure and expressed concern at the possible consequences of the creditor nations' failure to deal now with the financial problems of Germany. "When a business burdened with a heavy load of debt is embarrassed financially," said Mr. McLeod, "the creditors of that business are, as a rule, well advised to face the facts and all their implications at once. Refusal to do so will almost inevitably result in unnecessary loss, and prolonged difficulty for all concerned.

The same principle holds with regard to creditor and debtor nations, as with regard to private creditors and debtors. They must act without delay, or be prepared to face unnecessary losses and protracted confusion.

In common with all our neighbors who have an interest in the world market we, in Canada, must suffer and continue to suffer losses as a result of this delay."

Mr. McLeod concluded as follows: "Considering the difficulties to be faced, Canadian business is making a strong showing: the spirit of our people is high, they are disposed to take long views, they have not lost confidence in Canada. Without impatience or misgiving as to the final outcome, they wait for the decisive agreements which, by restoring conditions in the world market, will enable us here to resume our normal activity. It is our hope and the hope of the world that 1932 will prove a year of reconciliation."

Winnipeg Offices Well Filled

At the beginning of 1932 Winnipeg finds itself with a lower percentage of vacant office space than any city in Canada and lower than average United States city. Winnipeg vacancies were only 9.51 per cent whereas 10 per cent is considered normal. At the same date vacancies in Toronto were 10.9 per cent, Montreal 15.2 per cent and the survey of 40 of the largest cities in the United States shows an average of 18.4 per cent.

Wide Variety of Fish

Seventy different kinds of food fish and shell fish are taken in Canada's ocean and inland waters, ranging all the way from squid and alewives to sturgeon, and such mammals as seals and whales. Recently a sturgeon weighing 850 pounds was caught in the Fraser River, from which 75 pounds of caviar were obtained while a 25-pound lobster was trapped off Digby.

Type-Setting in 1930, $658,845

Twenty-eight establishments in Canada reported type-setting as their principal business in 1930, 18 of which are situated in Ontario, 4 in Quebec, 21 each in British Columbia and Alberta and one each in Manitoba and Saskatchewan. Value of trade composition executed totalled $658,845, and value of material used $42,214, consisting chiefly of type-metal which is used over and over again.

LOWER EARNINGS SHOWN IN REPORT OF CROWN TRUST

Net Profits for Year Shown at $6.09 Per Share

Earnings of $6.09 per share as compared with $11.08 are shown by Crown Trust Co. in its 23rd annual report presented to shareholders on January 26. Gross profit was $56,000 less than a year ago and although over $6,000 was cut from expenses, net profits were insufficient to meet dividend requirements by $9,000 which was appropriated from previous surplus carried forward. No write-off was made for bank premises and $49,724 was carried forward into surplus for 1932 as compared with $60,947 a year ago.

Comparative figures are as follows:

Income and Surplus Account
Years Ended Dec. 31

	1931 $	1930 $
Gross profits	204,771	261,100
Less: Expenses	143,863	150,285
Net profits	60,908	110,815
Less: Dividends	70,000	70,000
W/o premises	......	6,521
Surplus	*9,092	34,294
Prev. surplus	60,947	26,653
Less: Addit. tax (1929)	2,131	......
Bal. carried forward	49,724	60,947

*Debit.

Earnings per Share and Dividend Record:		
Earned	$6.00	$11.08
Paid	7.00	7.00

Assets show several changes of importance notably a decline in funds and investments in trusts and agency account which is shown at $21,420,000 as compared with $25,187,000 a year ago. Call loans on bonds and stocks in guaranteed account are down from $1,053,000 a year ago to $75,000 and call and time loans in capital account from $670,000 in 1930 to $398,000. Other changes in capital account show an increase in holdings of government bonds from $25,000 to $168,000 and a substantial increase in cash on hand at $128,000.

On the liabilities side, sundry accounts payable are substantially lower at $6,387 as compared with $68,263 a year ago, while funds for investment in guaranteed account are $470,000 as compared with $1,499,000 at the end of 1930. In his report to shareholders, W. I. Gear, president, draws attention to the fact that during 1931 the company obtained a special act of legislature enabling it to do business in Ontario but states that it is not the intention of the company to open an office there until this would seem to be warranted by business conditions.

Most Life Companies Dropping Disability

Canadian life insurance companies are rapidly lining up on the total disability benefit question. So far, The Financial Post learns that only two Canadian companies, namely Crown Life and London Life, have definitely decided to retain the monthly income benefit although three others are reported to be on the point of making similar announcements. At least nine leading Canadian companies have within the past few weeks announced that they are dropping monthly income in favor of premier waiver benefit.

The three companies still undecided, but which are reported to be favoring retention of monthly premium income benefits for total disability, are Confederation, Excelsior and North American. None of these has as yet made a decision, however. The nine companies dropping monthly income are: Sun, Canada, Manufacturers, Imperial, Mutual of Canada, Great West, National, Continental and Ontario Equitable.

Motor Show For Toronto Now Likely

Toronto may shortly be staging a fully-fledged motor show if negotiations which are said to be well advanced carry through to a successful conclusion. While official confirmation is not yet forthcoming, The Financial Post understands that if present plans go through the show will be held in the automobile building in the Canadian National Exhibition grounds at the latter end of February or early in March.

Definite decision, however, is believed to hinge upon the Ford plans which up to now have kept the whole automotive industry as well as the general public in suspense. It is regarded as fairly certain that the mystery surrounding Ford's programme is having a retarding effect upon the rest of the industry, and since, at this juncture, a show without Ford would not possess half the savour of a show with Ford, it can be pretty safely conjectured that definite details for a show such as is now mooted would have to await information regarding the date when the Ford jack-in-the-box will be sprung.

Turner Valley Shipments As Made to Refineries

With curtailment in effect in the Turner Valley and further curtailment in the offing the following tabulation is of especial interest, since it is the only compilation showing the entire production from the field since the blowing in of the Royalite No. 4 well in 1924. The figures given are for shipments to the respective refineries.

PRODUCTION IN BARRELS AS SHIPPED TO REFINERIES

	Crude Naphtha				Crude Oil and Discolored Naphtha			
	Total Prod'n 1931‡	Total Prod'n 1930	Total Prod'n 1929	Total Prod'n 1928	Total Prod'n 1931*	Total Prod'n 1930	Total Prod'n 1929	Total Prod'n 1928
Advance No. 5A	20,599	9,809	......	......	......	10,047	......	......
Alta. Federated	6,161	......	......	......	......	8,661	......	......
A.P. Cons. No. 1	6,474	......	......	......	......	7,633	......	......
A.P. Cons. No. 2			......	......			......	......
Associated No. 1	16,585	9,052	25,968	......	......	33,753	......	......
Associated No. 2		......	......	......			......	......
Baltic No. 1 ...	4,227	......	......	......	......	8,008	......	......
Br. Dom. No. 2	6,247	17,976	......	......	......	5,735	856	......
Calmont No. 1..	10,421	......	864	......	......	......	137	......
Calmont No. 2..		8,404	......	......	......	17,204	......	......
Calmont No. 7..		907	......	......	......	907	......	......
C'm'wealth No. 1	15,127	......	......	......	......	......	......	......
Dalhousie No. 1	28,801	4,172	16,144	19,613	5,083	35	......	......
Dalhousie No. 5		......	......	......	......	14,699	16,191	19,312
Dalhousie No. 6		2,736	4,117	......	......	......	1,053	1,056
Dalhousie No. 7		2,194	......	......	......	12,291	......	......
E. Crest No 1..	96,754	412	......	......	......	42,670	......	......
E. Crest No. 2A		......	......	......	......	......	......	......
Foothills No. 1	52,617	......	1,494	......	......	38,236	31,612	3,083
Foothills No. 2		......	......	......	......	5,230	6,107	3,873
Foothills No. 3		239	......	......	......	......	......	......
Freehold No. 1..	5,296	......	......	......	......	342	......	......
Freehold No. 2..		20,199	......	......	......	192	......	......
Hargal No. 1 ..	2,747	......	......	......	......	2,183	......	......
Home No. 1 ...	56,597	59,709	174,615	......	9,278	2,324	5,832	6,953
Home No. 2 ...		46,509	55,683	......	......	4,096	10,057	12,814
Home No. 3 ...		106,549	82,984	......	......	93	1,212	......
Home No. 4		41,985	......	......	......	1,249	1,758	......
Home No. 5 ...		......	......	......	......	......	......	......
Home No. 6 ...		......	......	......	......	1,516	......	......
Homestead	16,631	......	......	......	......	9,330	......	......
Ill. Alta. No. 1	......	7,,253	21,671	31,755	......	......	......	......
Ill. Alta. No. 2	......	749	......	......	......	......	......	......
Lowery No. 1..	16,873	25,498	......	......	......	18,849	......	......
Mayland No. 1.	104,956	......	......	......	......	22,190	......	......
Mayland No. 2.		......	......	......	......	14,225	......	......
Mayland No. 3.		......	......	......	......	......	......	......
McD.-Seg. No. 1	7,176	......	......	......	......	15,017	15,419	......
McD.-Seg. No. 2		......	......	......	......	5,295	36,527	......
McLeod	2,237	......	......	......	......	22,422	......	......
Mercury No. 1..	189,656	......	......	......	......	......	......	......
Mercury No. 2..		......	......	......	......	6,228	......	......
Mercury No. 3..		......	......	......	......	36,703	......	......
Merland No. 1..	24,524	......	......	......	......	479	271	......
Midfield	211	......	......	......	......	......	......	......
Mill City No. 1.	787	......	......	......	......	632	......	......
Miracle No 1...	54,443	......	......	......	......	24,818	......	......
Model No. 1 ...	6,068	6,444	......	......	......	32,704	......	......
Okalta	33,165	2,758	......	......	......	36,379	71,259	......
Regent	5,336	4,520	15,470	......	......	10,338	855	......
Richfield	4,175	......	......	......	......	......	......	......
Royalite No. 1.	211,857	......	201	......	11,371	......	......	......
Royalite No. 2.		......	......	......	......	1,012	......	......
Royalite No. 4.		23,821	112,836	99,146	......	626	......	......
Royalite No. 6.		71,908	8,743	16,829	......	604	......	......
Royalite No. 7.		916	25,526	3,139	......	5,853	......	......
Royalite No. 8.		32,002	43,034	39,883	......	......	100	......
Royalite No. 9.		1,567	6,253	......	......	6,082	1,742	2,187
Royalite No. 10.		......	......	......	......	286	775	4,064
Royalite No. 11.		12,709	......	......	......	619	1,166	3,087
Royalite No. 12.		......	......	......		6,414	349	668
Royalite No. 13.		719	1,491	......	......	1,603	......	......
Royalite No. 14.		119	4,586	......	......	82	784	......
Royalite No. 15.		......	......	......	......	1,862	7,425	1,009
Royalite No. 16.		......	......	......	......	635	......	24
Royalite No. 17.		75,442	53,182	......	......	......	817	......
Royalite No. 18.		29,085	40,069	......	......	357	860	......
Royalite No. 19.		24,094	......	......	......	4,452	58	471
Royalite No. 20.		......	......	......	......	3,235	6,128	......
Royalite No. 21.		......	......	......	......	5,456	4,880	......
Royalite No. 23.		27,826	......	......	......	2,725	......	......
Royalite No. 24.		......	......	......	......	......	......	......
Royalite No. 25.		......	......	......	......	......	......	......
Sioux City	505	......	......	......	......	438	217	......
S. Lowery No. 1	46,653	......	......	......	......	......	......	......
Spooner	16,158	......	......	......	16,158	25,740	18,799	......
Sterl. Pacific ..	12,842	......	......	......	......	7,002	......	......
Structure	16,503	......	......	......	......	66	......	......
S. W. Petroleum	......	......	......	......	......	......	......	......
United	......	......	......	......	......	2,330	6,072	......
Vulcan	......	......	......	......	......	1,402	2,305	......
Wellington	17,373	......	......	......	17,373	23,893	......	......
Widney	90	......	......	......	......	11,459	6,981	......
Total	1,286,953	675,780	694,936	310,395	25,742	583,535	259,303	70,725

Total shipments crude naphtha, 1927	227,086 bbls.
Total shipments crude naphtha, 1926	200,466 bbls.
Total shipments crude naphtha, 1925	169,027 bbls.
Total shipments crude naphtha, 1924	1,673 bbls.
Total shipments crude oil and discolored naphtha, 1927	13,839 bbls.

1924 was the first year of naphtha production, Royalite No. 4 producing entire amount, as also in 1925 and 1926. In 1927 Illinois-Alberta No. 1 produced 5,945 bbls., Royalite No. 4, 217,956 bbls., and Royalite No. 7, 3,185 bbls.

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‡Includes crude naphtha and discolored naphtha.

*Crude oil only.

Mineral Industries Analyzed in Census

The Dominion Bureau of Statistics has just issued a report on the mineral producing industries in Canada in 1930, showing the firms active, capital employed, number of employees, salaries and wages paid and income from sales.

A detailed analysis of the respective branches of the mining industry, together with the respective positions of the various provinces is as follows:

General Statistics on the Mineral Producing Industries in Canada, 1930

Industries:	No. of firms	Capital employed $	No. of employees	Salaries and wages $	Income from sales $
Metal Mining:					
Alluvial gold	79	5,881,620	394	612,369	877,778
Auriferous quartz	54	119,758,057	8,401	14,034,620	39,750,540
Copper-gold-silver	61	45,844,395	5,694	9,156,759	15,629,564
Silver-cobalt	23	12,268,322	1,048	1,488,591	3,637,181
Silver-lead-zinc	86	42,053,674	2,866	4,263,961	13,000,815
Nickel-copper	2	26,194,605	3,483	5,388,783	8,460,556
Miscellaneous	10	427,906	116	110,096	2,595
Smelting and refining	10	175,010,686	8,626	13,796,124	x55,635,664
Total	325	427,439,265	30,623	48,851,303	136,994,693
Non-Metal Mining, including Fuels:					
Coal	390	140,316,395	29,172	36,442,361	49,905,327
Natural gas	124	70,548,358	1,941	2,349,703	8,447,385
Petroleum	234	63,300,244	1,869	3,337,754	6,481,847
Abrasives	10	345,102	45	42,867	80,108
Asbestos	7	35,097,872	2,770	3,474,215	8,390,163
Feldspar	25	106,361	251	113,783	268,469
Gypsum	16	8,796,865	822	781,639	2,818,788
Iron oxides	4	150,704	43	41,238	83,873
Mica	13	441,744	244	63,316	96,004
Quartz	26	764,127	178	143,605	418,127
Salt	8	4,685,549	381	455,539	1,694,631
Talc and soapstone	6	614,384	141	79,472	186,216
Miscellaneous	38	3,608,896	498	527,183	1,181,485
Total	901	328,776,596	38,355	47,852,675	80,052,423
Clay Products and Other Structural Materials:					
Brick and tile	186	32,757,926	4,870	4,807,380	10,296,960
Clay sewer pipe					
Fire clay products & other clays					
Stoneware and pottery	5	672,851	156	153,750	296,618
Cement	8	59,210,737	2,317	3,172,198	17,713,067
Lime	44	8,816,879	1,086	1,087,778	4,038,698
Sand and gravel	724	7,550,217	5,601	2,508,087	8,344,913
Stone	285	22,196,388	6,192	5,542,211	13,037,209
Total	1,252	131,204,998	20,222	17,271,354	53,727,465
Grand total	2,478	887,420,859	89,200	113,975,332	270,774,581
Provinces:					
Nova Scotia	74	65,363,756	15,484	19,284,197	25,043,071
New Brunswick	49	5,349,073	1,391	1,132,306	2,350,372
Quebec	387	140,286,034	15,397	15,190,714	51,664,300
Ontario	1,123	326,396,783	24,706	34,433,915	105,433,023
Manitoba	50	35,812,839	3,021	4,372,044	5,665,008
Saskatchewan	73	6,424,080	1,371	1,040,790	2,333,280
Alberta	418	149,974,382	12,675	16,272,916	29,933,896
British Columbia	281	150,279,895	14,836	21,412,925	45,768,150
Yukon	23	7,534,017	319	835,525	2,583,481
Canada	2,478	887,420,859	89,200	113,975,332	270,774,581

x—Value added by smelting.

ASBESTOS PLAN TO BE DIVULGED EARLY NEXT WEEK

Income Bonds Expected to Replace First-Mortgage Issue

From Our Own Correspondent

MONTREAL. — The reorganization plan of Asbestos Corporation will be made public at beginning of next week. For several months past the present management have been working out a scheme to place the company on a sounder basis but legal technicalities have delayed issuing the plan to date.

It is expected that the plan will include provision for the exchange of first mortgage bonds for an income bond together with a share of common stock. Underlying bonds are expected to remain unchanged, while general mortgage bonds, preferred and common stock might be given common shares on an equitable pro rata basis.

Nat. Steel Car Claim Settled Soon is Report

From Our Own Correspondent

MONTREAL. — A report that the Dominion Cabinet has made the necessary recommendation for immediate payment to National Steel Car Corp. of the amount awarded to it in a recent Exchequer Court decision cannot be confirmed by officials of the company. The award was reported to be for $570,000.

What the net amount to the company will be remains to be seen; in any event it will strengthen the company's already strong working capital position and aid materially in tiding it over the lean period which confronts railroad equipment companies.

Montreal City Council Approves Tram Bill

From Our Own Correspondent

MONTREAL.—Montreal Tramways Co. has modified its bill before the legislature by which it seeks to widen the scope of its services and the City of Montreal has dropped the opposition which it formerly showed to the bill. One of the noteworthy changes is the elimination of the clause in which the company asks for authority to operate a bus service within a radius of 25 miles of Montreal.

It has been pointed out that what the tramways company seeks is approval for its existing bus lines. In a letter addressed to the city by J. E. Hutcheson, vice-president and managing director of Montreal Tramways, it is claimed that since the bus system has been extended greatly since 1925, it is desirable that the system be formally approved by the city council and declared to be a dependency of the tramways system.

A temporary bus service to Longueuil and Montreal South has been established with the approval of the Tramways Commission. These municipalities are urging that this service be made permanent. To accede to their request, it is necessary to amend the charter of the company so as to give those two municipalities the same right to grant franchises and privileges to the company now possessed by other municipalities.

Any contract between the company and the two cities will be subject to the approval of the City of Montreal and Tramways Commission. From a legal standpoint and the contract existing between the city and the company, Charles Laurendau, K.C., consulting attorney, states he can see nothing that is opposed to the city's interests.

SUGAR CONTENT OF BEETS HIGH IN ALBERTA CROP

Farmers Prepare to Grow All Sugar Factory Can Take

From Our Own Correspondent

LETHBRIDGE. — Sugar beet growers of Southern Alberta are preparing to seed all the acreage the sugar company can handle. Just what that acreage will be and the price the growers will receive is still in the realm of conjecture but there is not likely to be a reduction in the tonnage price of $5.50 carried in the 1931 contract. The new contract will be out early in February when the acreage sign-up for the present season will begin.

Reports of pending factory changes and enlargements are current but officials of the Canadian Sugar Factories, Ltd., subsidiary of the B. C. Sugar Refining Co., Vancouver, have made no statement except that experts have been making a study of the Raymond plant with the idea of introducing improvements. Whether this programme will go forward is not announced. There are rumors also of a new factory for this district financed by United Kingdom and Montreal money but this is also unconfirmed.

Growers are pressing for a second factory as they are prepared and anxious to raise more beets as it fits into their scheme of diversified farming admirably as well as giving them a crop with a guaranteed price. In addition they have the by-products such as beet-pulp and molasses, very valuable livestock feeds.

Big Sugar Stocks

Sugar is moving steadily, company officials state, Alberta beet sugar being again available in the Edmonton territory. Practically the whole of the output of the Raymond factory is sold in this province. The warehouse is piled high with sugar, the run recently closed having been a record one.

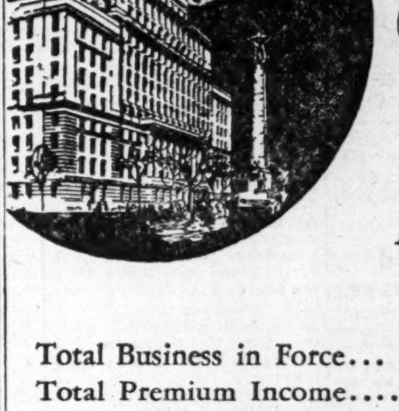
For the 1931 crop beet growers of the province received $700,000. A total of 660 farmers raised 12,300 acres of beets, the crop rating the highest in sugar content reported by any beet area in North America, and there are 65 factories on the continent. Beets delivered at the factory amounted to 105,000 tons from which were manufactured 31,000,000 pound of refined sugar. It is understood the company will pay growers a 50 cent per ton bonus because of the high sugar content of the beets this year. They ran around 18 per cent and better, an unusually high average.

Important Industry

The past season was the fifth run of the Raymond factory and in that time the plant has manufactured 1,135,000,000 pounds of sugar valued at $6,810,000. During the factory run the payroll carried some 325 men which means an expenditure of $160,000, while the company pays out for freight $120,000, other expenditures totalling $20,000 not including coal, which costs the company another $50,000. The Raymond plant was built by the Utah-Idaho Sugar Co. of Salt Lake City, Utah, which operates a chain of factories in the intermountain west, that company selling out to the Rogers interests of Vancouver a year ago for a reputed price of $2,000,000.

Industries Locate in Hamilton

During the last three years 42 new industries have located in Hamilton (in the city proper) according to a review of the industrial progress prepared by H. D. Fearman, Industrial Commissioner.



Basic Facts About Canada Life Affairs
—85th Year

Progress Through the Years!

	1911	1921	1931
Total Business in Force...	$135,615,253	$320,090,107	$1,029,758,735
Total Premium Income.....	4,553,385	11,176,712	38,370,111
Total Income from All Sources	6,543,201	15,538,498	50,939,334
Net Surplus Earned.........	1,293,597	2,600,285	5,651,590
Payments to Policyholders and Beneficiaries.........	2,295,073	6,585,661	25,584,206
Assets for Protection of Policyholders............	44,257,341	80,098,235	204,776,019

Through the ever-changing conditions of 85 years—wars, epidemics, periods of financial stringency, panics and depressions, the Canada Life has steadily progressed.

The gross earnings from the general operations of the Company during the year 1931 amounted to $7,405,013.

The ratio of expense to total income showed a substantial decrease.

Single premiums and annual first year premiums for both ordinary and annuity business showed an increase of over four million dollars.

Leighton McCarthy, K.C.
President

E. R. Wood, LL.D.
Vice-President

CANADA LIFE
Assurance Company
Established 1847

Herbert C. Cox
Chairman of the Board

A. N. Mitchell
General Manager

Insurance for Buyer and Seller

OVER $200,000,000 OF TOTAL ASSETS FOR CANADA LIFE

85th Annual Report Shows Business Issued $124,000,000

DISABILITY DROPPED

A. N. Mitchell Also Urges Policyholders to Repay Policy Loans if at All Possible

New insurance issued of $123,947,000 as compared with $142,268,000 in 1930 was reported by Canada Life in its annual 85th report presented at the company's annual meeting last week. Paid for business including revivals totalled $116,048,000 as against $132,049,000 in 1930 while total insurance in force was shown at $1,029,758,000 compared with $1,015,711,000 a year ago.

A feature of the company's statement was the fact that assets have crossed the $200,000,000 mark for the first time in the company's history.

Analysis of the company's assets shows important increases in holdings of government, municipal and other bonds. Government and municipal bonds are higher by $7,500,000 at $41,374,000 while "other bonds" are shown on a book value basis at $36,000,000 as compared with $31,600,000 at the end of 1930. Mortgages on real estate are $2,000,000 lower at $59,500,000, while policy loans are nearly $4,000,000 higher.

Of the total mortgages, according to figures given by Leighton McCarthy, in his presidential address, 65 per cent represented loans on city properties and 35 per cent loans on farm properties. Total arrears amount to 42.03 per cent of the amount invested. On 15,800 loans, Mr. McCarthy reported, the company was obliged to carry over unsold only 113 properties with a book value of about $300,000. The company's Western loan organization, it was stated had been able to dispose during the year of more properties than were foreclosed. City loans in spite of adverse conditions were reported as showing over 64 per cent free from arrears.

Disability Dropped

Formal announcement that the company had abandoned total disability payments on policy contracts written after the first of the year, although retaining the premium waiver contract, was made by A. N. Mitchell, general manager of the company. Mr. Mitchell also announced that the company had now set up its British territory as a separate division of the company and that during the year this territory had increased its production by over 25 per cent and had produced £4,060,000 of ordinary and annuity business.

Mr. Mitchell urged policyholders to repay loans on policies that had been taken out and regretted that so many had found it necessary to do this. In this connection he said:

"It is regrettable that the continuance of so many policies has been endangered by loans and that through this the purpose for which the insurances were taken may possibly go unserved. On the other hand, the insurance has served a purpose not contemplated probably at the time of its issue, and saved many a serious situation. As the president has pointed out, the needs of certain of our policyholders necessitated us loaning them during the year, under their contracts, over eleven million dollars. We do not deny the necessities involved, but we naturally fear for these borrowers the ultimate destruction of their insurance protection. We recommend to their earnest consideration the plans arranged for them to make easy the repayment of these loans. It is undoubtedly the part of wisdom for an insurance borrower to repay. Any money used in this way earns a sure six per cent by the interest saved, and the investment is not subject to any depreciation. That type of investment is rare in these days.

Surplus funds held by the company show some changes from a year ago, contingency and investment reserves of $1,458,484, now standing at $652,268. Surplus on the other hand is somewhat higher at $7,518,700 an increase of over $300,000. The company showed $1,753,422 as an appropriation for writing down ledger assets.

Important items from the company's statements for 1931 and 1930 are as follows:

	1931	1930
Business	$	$
New insur. issued	123,947,010	142,268,388
New paid-for business	116,048,075	132,048,632
Annuities	5,653,824	3,194,310
Ins. in force	1,029,758,735	1,015,711,701
Income		
Total net inc.	50,939,334	45,516,448
1st yr. prem.	6,566,607	4,652,137
Renew. prem.	31,124,131	30,093,665
Int. & rents	9,619,304	9,386,455
Assets, etc.		
Govt. & Mun. bonds	41,374,059	33,883,203
Other bonds .	36,036,194	31,637,435
Real estate mortgage ..	59,464,113	61,728,601
Policy loans .	36,090,242	32,258,044
Total ledger assets	194,986,467	179,557,267
Policyholder reserve	188,955,999	172,214,168
Surplus	7,518,727	7,199,879
Contingency reserve	652,268	1,458,484

Ordinary Life Insurance*

	1926	1927	1928	1929	1930	1931
January ..	$33,907,000	$36,986,000	$47,569,000	$49,739,000	$45,074,000	$41,188,000
February .	34,744,000	35,525,000	39,962,000	47,140,000	43,925,000	40,180,000
March ...	40,483,000	42,883,000	44,823,000	48,066,000	49,047,000	46,945,000
April	37,346,600	41,631,000	46,718,000	51,842,000	51,649,000	45,648,000
May	37,703,000	44,553,000	49,581,000	50,547,000	48,871,000	41,314,000
June	44,634,000	45,298,000	51,844,000	53,402,000	54,168,000	46,227,000
July	40,101,000	39,962,000	49,492,000	54,809,000	46,505,000	39,977,000
August ...	36,010,000	38,360,000	43,503,000	41,329,000	36,249,000	35,738,000
Sept.	34,878,000	35,000,000	38,872,000	43,013,000	38,994,000	30,066,000
October ...	40,226,000	48,104,000	55,743,000	50,894,000	44,527,000	36,006,000
Nov.	44,251,000	44,935,000	54,865,000	55,624,000	46,186,000	38,860,000
Dec.	46,770,000	48,899,000	56,647,000	54,189,000	49,026,000	47,163,000
Total, 1931						$489,312,000
Total 1930						$554,221,000
Decrease, 1931 (11.7%)						64,909,000
Decrease, December, 1931, from December, 1930						3.8%

*Companies having in force 84 per cent of total outstanding business in Canada as at Jan. 1, 1931. New paid for, ordinary business only. Figures include both Canada and Newfoundland and are prepared by Life Insurance Sales Research Bureau, Hartford, Connecticut.

High Praise Of Insurance By Meighen

High praise of the institution of Canadian life insurance and its record over a period of years was made by Rt. Hon. Arthur Meighen, at the annual meeting of the Canada Life Assurance Co. last week, he said in part:

"It has been said by G. D. Finlayson, the very efficient head of the Insurance Department at Ottawa, that not a single default has ever been made by a Canadian life insurance company.

"I do not think that a similar, sweeping statement could apply to any other field of finance, in this or any country and I doubt if that statement could apply as respects any country except the Dominion of Canada. The value of this is evident when one has regard, not only for the future of life insurance, but as well to the future of Canadian financial and commercial institutions throughout the world.

"The reputation of our life insurance companies for a hundred per cent payment on all occasions and for never having made default within the borders of Canada or without, is a reputation of great, incalculable and permanent value to this Dominion in all its relations to the world at large.

"Our life insurance companies have contributed vastly to the good of Canada by that record and I doubt not that one would be the more impressed with this were he resident in other countries than our own."

RESEARCH BUREAU ESTIMATES SALES AT $800,000,000

Decline of Less Than 12 Per Cent in '31 Life Insurance Shown

Ordinary life insurance paid for in Canada and Newfoundland by 15 leading companies during 1931 totalled $489,312,000, a drop of only 11.7 per cent from the corresponding figure of 1930, according to data compiled by Life Insurance Sales Research Bureau of Hartford. These companies have in force approximately 84 per cent of the ordinary business written in these two Dominions. On the basis of these figures the Bureau estimates that total business paid for by all companies was approximately $800,000,000 as compared with $885,000,000 a year ago.

A feature of the new figures was the good showing made in December when $47,163,000 of ordinary business was written by these companies, an increase of $8,300,000 from the previous months and less than 4 per cent below the December figure for 1930. Analyzed by provinces, December figures as compared with the previous month showed business in Ontario was down a little over 2 per cent; Quebec more than held its own; New Brunswick showed an increase of over 3 per cent, and Nova Scotia an increase of no less than 29½ per cent. Other provinces showed lower totals.

December sales by provinces were: Alberta, $2,548,000; British Columbia, $3,169,000; Manitoba, $2,725,000; New Brunswick, $1,218,000; Nova Scotia, $2,020,000; Ontario, $18,999,000; Prince Edward Island, $125,000; Quebec, $14,044,000; Saskatchewan, $2,103,000, and Newfoundland, $212,000.

Prudential of England Makes Executive Changes

Frank C. Capon, formerly assistant manager for Canada, has been placed in charge of the life branch of Prudential Assurance Company, Ltd., of London, England, according to an announcement made by that company. Mr. Capon succeeds Bernard Humphrey, formerly manager for Canada whose retirement on pension has been announced.

Management of the fire branch of this company is now in charge of R. S. Thorp, formerly assistant manager for Canada, while management of the casualty branch is now in charge of J. Upton Fletcher, who was formerly casualty superintendent for Canada.

May Extend Cold Storage Plant

The successful operation of its cold storage plant and the inability of present storage warehouses in the Okanagan Valley to accommodate all offerings is causing The Inland Ice and Cold Storage Company to consider doubling the 130 car unit erected in Vernon in 1931.

THE CANADA NATIONAL FIRE INSURANCE COMPANY
Head Office: WINNIPEG
Toronto Office: 205 Brock Building
Walter J. Steer, Branch Manager
President, J. B. Coyne, K.C., Winnipeg, Man.
1st Vice-President, T. S. McPherson, Victoria, B.C.
2nd Vice-President, Allan S. Bond, Winnipeg, Man.
Applications for Agencies Invited

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA: HAMILTON, ONTARIO
Writing Fire and Automobile Insurance at Cost
Assets $5,010,673.96
ALL POLICIES NON-ASSESSABLE
Paying Dividends ranging from 25% to 40%
BRANCH OFFICES:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, Saint John, Halifax and Charlottetown

MANUFACTURERS BUSINESS ISSUED OVER $76,000,000

Income at New High and Business in Force Now $542,449,000

New insurance issued of $76,597,820, a decline of less than 7 per cent from the corresponding figure of 1930 was reported by Manufacturers Life Insurance Co. at its annual meeting last week. Total insurance in force now stands at $542,449,, an increase of approximately $12,500,000 over 1930. The company reported total assets of $115,527,000, an increase of $6,500,000 over the previous year's figures.

Of total assets, the company has $34,406,000 in mortgage loans, of which, according to J. H. Lithgow, general manager and actuary, 75 per cent are invested in loans on city properties and 25 per cent on farms. City loans, according to Mr. Lithgow, are in an exceptionally healthy condition, overdue interest being less than one-sixth of 1 per cent of the principal sum. The next important group is government and municipal bonds which stand at $27,800,000, an increase of nearly $5,000,000 for the year. Other bonds are slightly lower at $17,658,000 of which nearly $3,000,000 are school and rural telephone bonds.

Total income, according to Mr. Lithgow, reached the highest figure in the company's history at $29,216,000, both premium income, and monies received from interest and rents, being higher. Total expenses were $5,300,000, a decline of $200,000 from 1930.

Commenting on the burden which the tax on premium income of life insurance premiums, imposes on policyholders. Mr. Lithgow pointed out that the company paid $326,079 in taxes in 1931, the equivalent of $1.48 for each $100 of premiums received.

Reserves and surplus are lower, the company's contingency reserve which last year stood at $1,200,000, now being carried forward at $500,000, while surplus is down about $600,000 at $2,779,000. The company also wrote out of disbursements, $2,771,000 as provision against depreciation in value of securities as compared with a corresponding item of $253,000 a year ago.

Comparative items for the past two years are as follows:

	1931	1930
Business	$	$
New ins. issued .	76,597,820	82,057,914
Ins. in force	542,449,546	529,984,752
Income		
Net prem. inc. ..	22,055,675	20,820,393
Int. & divd.	5,829,814	5,529,842
Assets, etc.		
Govt. and mun. bonds	27,780,877	23,121,888
Other bonds	17,658,731	18,159,679
Mortgage on real estate	34,406,321	36,618,190
Policy loans	22,338,735	19,421,068
Total assets	115,527,218	109,027,467
Cont. reserve ...	500,000	1,200,000
Surplus	2,778,929	3,377,281

LIFE UNDERWRITERS ELECT NEW OFFICERS

George McCuish of Vancouver Canadian President For 1932

George McCuish, of Canada Life Assurance Co., Vancouver, was elected president of the Life Underwriters Association of Canada at the annual meeting of that body held at Toronto last week. Another Canada Life man, S. C. Vinen was made chairman of the board. Paul H. Dubar, of Imperial Life Quebec, becomes hon. president and A. J. R. Parkes of Sun Life, Montreal, first vice-president.

Other officers elected were as follows:

Provincial vice-presidents: British Columbia, J. Granger, Vancouver; Alberta, C. E. Bissell, Calgary; Saskatchewan, W. L. Noyes, Saskatoon, Manitoba, B. H. Cole, Brandon; Ontario, F. C. Morrow, London; Quebec, J. A. Vidal, Sherbrooke; New Brunswick, R. C. MacDonald, Moncton; Nova Scotia, Rod MacDonald, Sydney; Prince Edward Island, J. A. McKenzie, Charlottetown.

Honorary secretary, F. C. Hoy, Canada Life Assurance Co., Toronto; honorary treasurer, A. D. Anderson, Aetna Life Inc. Co., Toronto; registrar, degree of C.L.U., J. G. Taylor, Mutual Life Assurance Co. of Canada, Toronto.

Chairman, active board of the Institute of Chartered Life Underwriters, H. W. Gundy, Sun Life Assurance Co., Toronto; chairman, membership committee, A. L. Wright, Sun Life Assurance Co., Toronto; chairman, publicity committee, H. C. Henderson, North American Life.

Members of board of directors — E. N. Jory, Great West Life, Toronto; G. A. German, Crown Life Ins. Co., Toronto; G. H. Dawson, Mutual Life of Canada, Hamilton; G. S. McConkey, Barrie; I. P. McNabb, Peterborough; W. H. Colclough, Stratford; R. McInnes, Saskatoon, Sask.

Insurance Inklings

FRANK A. NICHOLSON, manager for New Brunswick and Prince Edward Island with the Manufacturers Life Insurance Co., has been transferred to the Seattle, Washington branch of that company. Harold E. McLean, city representative of the company at Saint John has been promoted to succeed Mr. Nicholson.

H. B. MARTIN, formerly manager of the Brandon, Man., branch of the Imperial Life Assurance Co., has been appointed branch manager at Saskatoon, Sask., with effect from January 2, 1932.

Heads Underwriters

R. GEORGE McCUISH
Of Canada Life Assurance Co., Vancouver, who was last week elected president of the Life Underwriters' Association of Canada.

Hail Companies Found to Favor Deductible Plan

Plans for the adoption of a 10 or 25 per cent "deductible" policy for hail insurance in Alberta were made at the annual meeting of the Canadian Hail Insurance Underwriters' Association held at Winnipeg, last week. In order to do this enabling legislation must be obtained at the next session of the Alberta legislature.

With the market for coverage growing narrower particularly in Alberta and continual heavy losses for those insurers still operating in this field, member companies urged this plan of lowering the cost of this type of coverage.

A 10 per cent deductible policy was written in Saskatchewan last year, the plan being similar to that which has been tried with such success in the automobile collision insurance field.

In 1931, premium volume dropped by 20 per cent and losses were very heavy especially in Alberta.

Election of officers for the present year resulted in the following appointments: Chairman, P. A. Codere, Winnipeg; vice-chairman, J. L. Thornton, Regina; executive committee, E. M. Whitley, Winnipeg; A. K. Olive, Regina; W. Scrimes, Winnipeg; J. F. MacQueen, Saskatoon, and J. Wilson, Winnipeg.

FIVE STATES DEMAND DEC. 31 VALUATIONS

Two Canadian Life Companies Do Business in These Areas

Five states in the American Union will require insurance company statements to be filed in their respective insurance departments on the basis of valuations as of December 31, 1931, according to a Hartford report to the Wall Street Journal. These are Connecticut, Arizona, Georgia, Idaho and Maine.

Other states will accept statements based on security values as of June 30, 1931.

Two Canadian companies doing business in the territories mentioned above, will be affected, namely Canada Life Assurance Co., which is licensed to do business in Maine, and Sun Life Assurance Co. which is licensed in Connecticut, Georgia, Idaho, and Maine. Officials of these companies say that this will effect little change in statements already prepared for submission to Canadian and other jurisdictions.

Bonds of fire and casualty companies, says the Journal, may be carried on an amortized basis in Georgia, District of Columbia, Maine, Indiana, Nebraska, New Hampshire, North Carolina, Ohio, Oklahoma, Virginia and West Virginia.

Market valuations will be required in statements filed in Alabama, New York, New Jersey and Maryland. Missouri will require adherence to practice. Arizona will be governed by requirements of the state in which companies are domiciled. Illinois will not permit amortization by fire companies.

Insurer Must Give Heed To Form of Settlement

(Reprinted from Manufacturer's Life Agency Bulletin)

When a man signs an application and is successful in procuring life insurance he automatically places a powerful financial institution with many millions of assets, under a definite obligation to administer his estate in the event of his death if he so desires. And as a vast majority of men leave comparatively little, or nothing, for their dependents apart from their life insurance, that statement is applicable in an overwhelming number of cases.

The "Optional Methods of Settlement" as specified in the insurance contract are secondary in importance to only one clause in the entire policy—that which obligates the company to pay the face amount in the event of death. But notwithstanding its great importance, there is no clause in the contract which is given less consideration by the majority of underwriters. During many interviews the value of anything and everything is emphasized except that which is of prime importance to those for whom the insurance is being provided.

Lump Sum Fallacy

We are all familiar with examples which prove the fallacy of leaving lump sum settlements to dependents, and any repetition of them would be purposeless. Let us forget, however, the facility with which oily--tongued fake stock salesmen and their kind have obtained money from widows and let us assume for the moment that the widows of policyholders will never make unwise investments or will never be persuaded to speculate with their principal.

Unfortunately that is wide of the mark, but if it were a fact, would all danger of loss be eliminated? Experience indicates that it would not. Times without number widows lose their capital, not because of extravagant living or foolish speculation, but because of their fineness of character and their natural generosity.

A Concrete Example

For example, consider the position of a woman who, on her husband's death, receives cheques for a lump sum of $25,000 from the insurance companies. She has a young son and, after her principal is invested wisely, it enables both of them to live comfortably on the income. Her boy reaches maturity. One day he comes home in great excitement. He says:

"Mother, I have a wonderful opportunity to go into business for myself. I met a man today who will take me into partnership with him. If you can let me have $10,000 I will be able to pay you back in a year or two, and in the meantime I can let you have the same interest you are getting on your money now."

Is Real Hazard

In the mother's opinion, it is not a wise thing to do. Then the thought comes to her that the boy may be right and that if she refuses she may be denying him a real opportunity which he may not have again. Once the money is thus invested a dozen things may happen. The boy may lack a knowledge of business; the other man may be crooked; business conditions may be bad; the business fails and the money is lost.

The particular case which has been cited is one of many to which a kindhearted woman might yield when no amount of persausion would influence her to speculate with the capital her husband has provided, for any less worthy motive than a desire to help those who are near and dear to her.

COMPENSATION ACT COVERS NEW GROUPS

New Brunswick Makes Many Changes Following Study

Hundreds of employees in New Brunswick, not hitherto protected, are now brought within the scope of workmen's compensation act, as a result of new regulations passed by the Provincial Board recently. Changes in regulations were made as a result of recommendations contained in the report of the commission appointed several months ago to inquire into the operation of the provincial compensation scheme.

One of the most important changes is the elimination of a wide variety of exemptions, most of which have now been done away with.

The only exemptions existing under the new regulations are designed to exclude fishermen, deep water seamen, hand laundry workers and men engaged in aviation from coming under the Act. Where not more than five men are employed on a mining project they are also excluded from benefitting under the compensation plan.

Vessels owned in, and carrying freight or passengers from one point within the province to another, must also have a crew of more than five before the employes come under the Act.

Industries have been reclassified and placed in five divisions under the general heads of mining, forest products, manufacture and sale, construction and transportation. Formerly industries were placed in seven different classes for rate purposes. Rates for 1932 will differ little from those of last year, it is reported.

Insurance Educational Congress

An educational congress sponsored by the Life Underwriters Association of Toronto, will be held at the Royal York Hotel, Toronto, on January 26 and 27. Speakers include James Elton Bragg, director of the Life Insurance School, N. Y. University; W. J. Dunlop, director of the Extension Department, University of Toronto, J. L. Romig, educational director, Canada Life Co., and Dr. Harry S. Thompson, field secretary, Canadian Dental Hygiene Council.

Form British Trade Association

Arrangements for the formation of the British Trade Association of the Montreal Board of Trade, have been completed by a committee named for this purpose, it is announced. A good percentage of representatives of British manufacturers have already given support and assistance to the organization, and early in the year a meeting will be called for the election of officers and the definite launching of the association. The committee in charge of formation work was composed of Messrs. W. S. Leslie, F. J. Spielman, W. W. Walker, Frank Scott and J. E. Openshaw.

Canadian Airways Add New Fast Mail Machines

From Our Own Correspondent

MONTREAL.—Canadian Airways Ltd. have placed in operation a new Stearman airplane to maintain the high-speed air mail service between Toronto and Detroit. This route is a link in the international chain connecting at Detroit with American air mail lines, to provide fast air mail service between Toronto, Western Canada, and the Western United States.

Canadian Airways have a second new Stearman in the course of assembly here and a third similar machine at present undergoing complete overhaul. All three of these machines will shortly be in service on the Toronto-Detroit route.

FIRE · MARINE · AUTOMOBILE · ACCIDENT · SICKNESS · BURGLARY · GUARANTEE
BRITISH CANADIAN INSURANCE COMPANY
ESTABLISHED A.D. 1917

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE AUTOMOBILE WINDSTORM
Insurance in force over $200,000,000.00
Total Assets over 3,000,000.00
Agents required in Ontario
Write Eastern Branch, 2 Toronto St., Toronto, Ont.
THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

Strength - Stability - Service
Assurances In Force (Dec. 31, 1931)...$513,379,937.00
Assets $125,848,128.74
Surplus Funds and Contingency Reserves $12,412,836.25
MUTUAL LIFE ASSURANCE COMPANY OF CANADA
Head Office: WATERLOO, ONT.
The Mutual Life of Canada
Established 1869
A Purely Mutual Company
Every dollar of surplus earnings belongs to policyholders and is either actually paid or allotted as cash dividends or held in trust for future distribution. F1

ORGANIZED · 1884
DOMINION LICENSE
THE PORTAGE MUTUAL INSURANCE CO.
MUTUAL SERVICE WITH SECURITY
ASSETS EXCEED - $1,500,000.00
NON-ASSESSABLE POLICIES COVERING
FIRE - AUTOMOBILE
BURGLARY - PLATE GLASS
WINDSTORM - SPRINKLER LEAKAGE
OFFICES: PORTAGE LA PRAIRIE MONTREAL
TORONTO REGINA VANCOUVER
THE PORTAGE LA PRAIRIE MUTUAL INSURANCE COMPANY

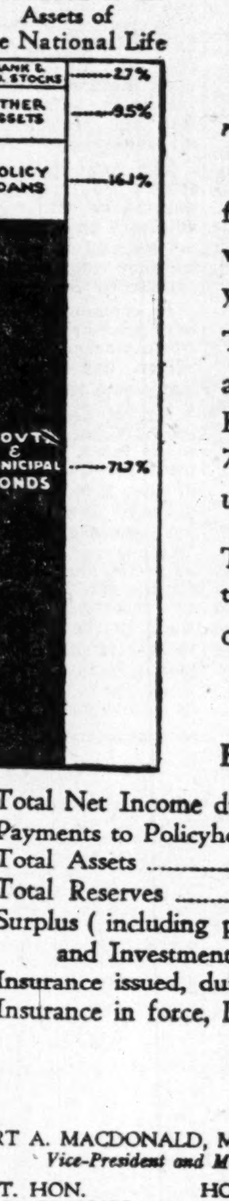
Sixty Years of Service
to an ever-increasing number of satisfied Policyholders, during which time every obligation has been fully and promptly met.
SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE-MONTREAL

LIFE INSURANCE
CHARTERED TRUST AND EXECUTOR COMPANY believes that the life insurance business in Canada is on the threshold of a phenomenal expansion. What a privilege it is to purchase for your wife and children, by periodical payments, the protection which life insurance affords!
Chartered Trust and Executor Company does not sell life insurance. It is, however, interested in the future welfare of your wife and others daily dependent upon you. Stop and think—would your family suffer if they should be bereft now of your support and maintenance?
CHARTERED TRUST AND EXECUTOR COMPANY
34 King St. West, Toronto 2
132 St. James St. West, Montreal, Que.
President:
JAMES Y. MURDOCH, K.C.
Vice-Presidents:
W. S. MORDEN, K.C. JOHN J. GIBSON and Gen. Mgr.
Secretary: E. W. McNEILL

PROTECTION
The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost.
This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.
Reserves—$36,827,055.00 Surplus—$2,680,759.27
Independent Order of Foresters
FRANK E. HAND, Supreme Chief Ranger HEAD OFFICE: TORONTO, CAN.

Safety and Strength

Distribution of the Assets of The National Life



THE importance to a Life Insurance Company of investments not subject to violent fluctuations in market value, was never more vividly demonstrated than during the past year.
The National Life has confined its investments almost wholly to Government and Municipal Bonds, as is evidenced by the fact that over 71% of the assets of the Company are made up of this type of security.
The results for 1931 have exceeded expectations when general business and economic conditions are taken into consideration.
Extracts from 33rd Annual Report
Total Net Income during 1931 .... $ 2,351,340.53
Payments to Policyholders during 1931 .... 1,141,509.61
Total Assets 11,157,589.22
Total Reserves 9,726,591.00
Surplus (including paid-up capital of $250,000.00) and Investment Reserve 848,898.93
Insurance issued, during 1931 .... 9,731,655.00
Insurance in force, December 31st, 1931 .... 60,590,611.00
Board of Directors:
A. H. BEATON, Esq. *President*
ALBERT A. MACDONALD, M.D., L.R.C.P. & S. (Edin.) *Vice-President and Medical Director*
FREDERICK SPARLING, Esq. *Managing Director*
RT. HON. GEO. P. GRAHAM
HON. RODOLPHE LEMIEUX, K.C.
HON. E. M. MACDONALD, K.C.
ALFRED ROGERS, Esq.
COL. A. E. KIRKPATRICK, A.D.C., V.D.
EDWARD W. BICKLE, Esq.
The National Life Assurance Company of Canada
Head Office · 130 University Avenue · Toronto

Current Events in Banking World

BANK OF N. SCOTIA SHOWED INCREASE IN DEPOSITS IN '31

Maintains Strong Liquid Position — Earned $17.16 Per Share

Earnings of $17.16 per share after provision for taxes and write-off against bank premises are shown by the Bank of Nova Scotia in its annual report for 1931, just published. This compares with earnings of $16.83 per share in 1930, based upon the same number of shares outstanding, though actually the average capital was higher in 1931 owing to the fact that during 1930 a new capital issue of $2,000,000 was made. Profit ratio in 1931 was therefore actually lower, the average rate on capital, reserve and undivided profits being 7.06 per cent as compared with 7.21 per cent in the previous year.

Before making deductions for taxes and premises, earnings were approximately $44,000 higher than for the preceding year, totalling $2,579,802, equivalent to $21.50 per share as against $21.13 in 1930. After paying out $1,920,000 in dividends and contributing $115,000 to the officers' pension fund, writing off $400,000 for premises and providing $120,000 for Dominion taxes, a balance of $24,802 was carried forward to profit and loss account, this now standing at $559,633.

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1931 $	1930 $
Net profits‡	2,579,802	2,535,643
Less appropriations:		
Dividends	1,920,000	1,836,207
Pension fund	115,000	115,000
Writ. off bk. prem.	400,000	400,000
Dom. Govt. taxes	120,000	115,448
Surplus for year	28,802	68,988
Add: Prev. surp.	534,831	1,465,843
Less: Trans. to res.	......	1,000,000
Balance forward	559,633	534,831

‡After charges of management and provision for bad and doubtful debts.

Assets Maintained

Assets have been well maintained, totalling $262,496,207, at which they are but $619,000, or less than ¼ per cent under the 1930 figure, while liquid position—due largely to an increase from $25,637,000 to $37,233,000 in Dominion and provincial securities held—shows a marked improvement. Cash holdings consisting of current coin, Dominion notes and United States and other foreign currencies are 10.76 per cent of liabilities and quick asets are 54.83 per cent of liabilities.

The chief changes among the assets compared with the preceding year consists of, first, the nearly $8,000,000 increase in government bonds referred to, and a similar increase in the amount of Canadian current loans and discounts (after provision for bad and doubtful debts).

Amounts due by foreign banks show an increase of about $1.600,000 at $6,409,000, while call loans abroad are approximately $2,600,000 lower at $4,670,000. Canadian call loans dropped 7½ million dollars to $13,315,000. Canadian municipal and foreign public securities—held at not exceeding market value—increased from $11,000,000 to something over $16,000,000, while railway and other securities held showed a contraction of about 2½ million dollars at $9,780,000.

Deposits Show Increase

Deposits have been maintained at a remarkably high figure, both savings and demand deposits being higher than a year ago, standing at $168,471,000 and about $35,000,000 respectively. Among the other liabilities, balances due to banks abroad are $500,000 lower at $1,988,000 and to Canadian banks about $1,000,000 less at $2,314,000. Letters of credit amounting to $4,607,000 showed a decrease of $800,000. Total liabilities to the public are $225,454,617 as against $226,100,583 at the end of 1930. Reserves remain unaltered at $24,000,000.

The following table gives a comparative analysis of the bank's position as compiled by The Financial Post:

GENERAL STATEMENT
As at December 31
Immediately Available Liquid Resources

	1931 $	1930 $
Assets		
Specie	9,245,969	9,503,866
Dom. notes	13,536,016	14,690,183
Gold reserve	2,000,000	3,500,000
Due by for. banks	6,408,657	4,858,283
Foreign curr.	1,479,052	1,401,982
Govt. secs.	37,233,331	25,036,967
Call loans abroad	4,669,655	7,298,060
	74,572,680	66,889,341
Loans and Securities Other Than Those of Canadian Government		
Public secs.	16,169,933	10,986,542
Rly. & other secs.	9,779,163	12,129,112
Can. call loans	13,314,709	30,813,116
Current loans*	107,513,949	99,755,787
Loans abroad*	14,586,192	16,114,327
	161,363,946	169,798,884
Due from Other Banks		
Notes of other bks.	913,158	1,094,639
Cheques of oth. bks.	8,857,999	11,085,355
	9,771,157	12,179,994
Other Assets		
Non-curr. loans*	410,025	151,362
Real estate	......	63,221
Letters of credit	4,606,872	5,455,771
Bank premises	8,293,954	7,864,735
Deposit re circ. fd.	566,102	530,231
Shs. in control. cos.	2,696,392	......
Other assets	215,327	182,123
	16,788,672	14,247,443
	262,496,455	263,115,662
Liabilities		
To the Public		
Circulation	12,702,838	13,967,347
Deposits by public:		
Demand	34,975,949	33,272,195
Svgs. & accr. int.	168,471,010	166,770,062
To bks. abroad, etc.:		
Foreign bks.	1,987,648	2,471,674
Bills payable	187,405	504,354
Letters of credit	4,606,872	5,455,771
Other liabs.	209,111	310,557
	233,140,828	222,751,960
To banks in Canada	2,313,789	3,348,623
To the Shareholders		
Dividends unpaid	482,204	480,248
Reserve fund	24,000,000	24,000,000
Capital stock	12,000,000	12,000,000
Surplus	559,633	534,831
	37,0,41,,837	37,015,079
	262,496,455	263,115,662

*After reserve for bad and doubtful debts.

U.S. Bank Failures 240 in First 3 Weeks of Year

Bank suspensions in the United States for the first three weeks of the new year have totalled 240 according to the American Banker, New York, the first week having had 73 closings, the second week 83, and the third week 84.

Deposit liabilities tied up by January's closings are estimated at $120,000,000.

Branch Banking System "Terrible" Says Journal

American Banker, New York, Throws Down Gauntlet to Canadian Bankers on Merits of Our System

While Canadian statesmen and business men have been giving strong voice to the conviction that the Canadian branch banking system is one of the strongholds of the Dominion's commercial structure, it appears that they have merely been deluding themselves and have been lulled into a false sense of security just because a handful of banks have not come tumbling down about our ears!

Here is an editorial which appeared in a recent issue of The American Banker, New York, setting out to disabuse our minds of the idea that the branch banking system is sound. Does it?

The Financial Post reprints it verbatim, and will be glad to hear how it reacts on its readers. The gauntlet is down. We invite you to step into the lists, Canadian branch bank managers, and let us know your opinion of the Canadian branch bank system.

"Sundry shortsighted gentlemen of the press and of banking, point to our 2,300 bank suspensions in 1931 as a convincing "argument" that branch banking is a better system.

"But the last four months has utterly exploded the validity of their argument.

"Branch banking as practised in England and carried on in Canada has faults more glaring and dangerous than any which can be charged against unit banking.

"If anything, the branch system is even further than unit banking from that ideal of perfect bank responsibility, so desirable, yet, like other dreams of human perfectibility, probably equally unattainable.

"We have our bank closings. The figures tell the story.

"But branch banking systems, instead of suspending individually when they are faced with a run, pull the monetary standard of their countries crashingly down when they face the crisis of deflation.

Poor Logic

"Branch banking systems are too big to fail or to be permitted to fail. They cannot suspend to liquidate locally, as do our American banks, making way for a sound reorganization or the organization of a new bank. Their liquidation cannot be compartmentized and absorbed locally where their credits were spent.

"Every Britisher is paying today with 30 per cent of his deposits for the "safety" of his branch banking system. Every Canadian is paying for "safety" of his branch banking system with 20 per cent of his deposits. True, the Britisher and the Canadian have as many pounds sterling or Dominion dollars in the accounts as they had before the crash. However, 20 to 30 per cent of their value has been taken from them by the loss of purchasing power of their funds. True, also they hope to get full value back. But so do American beneficiaries of individual closed banks, with better reason, as we see it.

Say We Are Deluded

"Perhaps you can fool the British and Canadian people into thinking that such a system of mass confiscation of their banked wealth is better.

Concentrate the money of a nation in a few large banks through branch banking, if you like. Ignore, if you can, the fact that credit administration is thereby taken from sympathetic local hands and put in the hands of distant city money-market manipulators. Forget, if you can, the fact that another field of the individualistic enterprise to which we owe our American progress is thus handed to a monopoly.

"Ignore such social and economic implications of branch banking, if you can.

"But you cannot escape the truth that mismanagement of big banks is possible, and when it comes, its very momentum is likely to be more costly than we have found it under unit banking systems.

Blamed For Plenty

"Mistakes can be made by branch bankers. They were made in France, where after some of the smaller branch banks failed, the government was forced to pour billions of flat francs into the remaining branch banking systems to keep them alive.

"French depositors' demands for gold came simultaneously with this government subsidy. The situation in Germany before the moratorium, was complicated with branch bank failures which could only be solved by the use of government guarantees and freezing of deposits. Not only has branch banking given a poor account of itself to its depositors, but countries which have depended upon it have fared badly.

"But do we need to look abroad to see the danger which is inherent in the branch bank idea? Our own government has had to pledge both money and credit to support at least one branch banking situation where poor management policies in the boom had led to weakened depositors' confidence in the depression.

More Mistakes

"Mistakes in banking are made. And they are bigger and more dangerous in geometric proportion to the scope and size of the banking organizations making them. The fact that the error may hinge upon government fiscal policy as well as banking, only emphasizes the fact that bigness of banks is a liability to governments rather than an asset, in times of crisis.

"London made such a mistake. It was a banking and credit blunder. Every moneyed person in the British Empire is today paying the price of that mistake. The folly was too big to be absorbed in the reorganization or liquidation of one or more banks. Closing even one big branch bank would have precipitated a national smash.

"Instead, the British government and bankers have charged the cost of their mistake to the entire wealth of the country. The banks simply went off the gold standard.

A Strong Finish

"Unit banking cannot exist without the implication that some banks will be run better than others. But unit bankers can look forward to the hope that through co-operative effort toward better bank management as expressed in American Bankers Association work, in Federal Reserve membership, local clearing house associations, and the like, the percentage of mismanagement, and the percentage of victims of government mismanagement can be reduced to a smaller and smaller figure.

"Branch banking systems cannot be operated without facing the danger that mistakes at headquarters will plunge the whole country disastrously off its gold base.

"Only a fool can delude himself into the belief that any guaranty of bank deposits is possible.

"His folly is no less if he worships the guaranty of deposits idea under the guise of branch banking."

PENNY BANK HAS GAIN IN DEPOSITS

Children Show Thrift, Saving About $4,000 Per Month

That Canadian children are developing in an increasing degree the virtue of thrift is apparent from the recent report of the Penny Bank of Ontario which shows that during the past three years deposits have increased from about $1,000,000 to $1,343,387 as at October last. This figure shows an increase in deposits since June, 1930 of close to $65,500, or about $4,000 per month.

The biggest week in the history of the institution was experienced in November, 1931, when nearly 36,000 deposits were made.

Started in 1904

The Penny Bank, which was started as a philanthropic banking corporation in 1904 serves a school population of about 200,000 children located in upward of 450 schools in 125 centres. The majority of its branches are in Ontario, although under its federal charter the institution can operate in any part of the Dominion.

All deposits are invested in government and municipal securities under governmental supervision, and in actual operation the bank makes a small profit between the interest earned from its investments and the interest (3 per cent) which it pays its depositors. This margin helps to cover the expenses of operation, although it has been reliant to some extent upon government and other aid. Thus the province of Ontario recently made a grant of $2,500 to assist the bank in its work.

The following table shows deposits on hand at the end of fiscal years ending June 30:

Growth of Penny Bank Deposits

1904	Bank started
1910	$ 142,681
1915	244,009
1920	608,464
1925	787,541
1930	1,277,911
1931 (Oct.)	1,343,387

Unify Cheque Charges On Current Accounts

Vancouver banks recently adopted a uniform system of charges on cheques drawn upon small current accounts. This action was found necessary because the many cheques issued on these accounts have made this business unprofitable to the banks.

The following schedule of charges has been instituted: Average balance below $200, seven cents per cheque; $200 to $299, ten cheques allowed free, subsequent cheques seven cents each; $300 to $399, twenty cheques free; $400 to $499, 30 cheques free; $500 and over, 40 cheques free, these groups all being subject to the additional charge of seven cents on cheques beyond the stipulated number.

Record Sugar Output in Alberta

A record production of refined sugar in Alberta was achieved by the Canadian Sugar Factories, Ltd., Raymond, which ended the season's operations late in December with an output of approximately 32,000,000 pounds. The plant, now owned by the British Columbia Sugar Refining Co., Vancouver, sliced 108,000 tons of beets during the run, and the sugar produced has an estimated value of over $1,500,000.

Bank Chat

The Bank of Nova Scotia reports the following staff changes:

J. G. KENNEY has been appointed accountant at the New York agency.

N. R. CAMPBELL has been appointed accountant at New Westminster, B.C.

Imperial Bank of Canada reports the following staff changes:

J. T. BEWS, formerly accountant, New Liskeard, Ont., has been appointed manager at Richard's Landing, Ont.

G. WELFORD, formerly manager, Richard's Landing, has been appointed manager at Englehart, Ont.

E. T. CUTTLE, formerly manager, Englehart, Ont., has been appointed manager at Cobalt, Ont.

W. Q. CLARK, formerly attached to Niagara Falls branch, has been appointed accountant, New Liskeard, Ont.

P. M. HUSBY, formerly manager at Neville, Sask., has been appointed manager at McCord, Sask.

H. McLEAN, formerly assistant manager at Weyburn, Sask., has been appointed manager at Tribune, Sask.

C. G. GREEN, formerly manager at Eglinton and Mount Pleasant Road, Toronto, has been appointed manager at King and Sherbourne branch, Toronto.

Canadian Mint in 1931 Struck 11,618,690 Coins

In 1931 the Royal Canadian Mint issued 5,620,000 five-cent pieces, 5,140,000 "pennies," or one-cent pieces, and 2,294,000 ten-cent pieces. No gold pieces were minted, but a total of 848,000 "quarters" were delivered, and 60,000 fifty-cent pieces. The total number of coins struck during the year was 11,618,690, and the number issued was 13,970,000.

The gross value of rough and fine gold and fine silver received by the Mint last year was $35,638,176. Deliveries to the Dominion Department of Finance had a value of $35,176;551. Trade bars sold were valued at $545,541.

Weekly Bank Clearings

Western Cities	Jan. 22, 1931	Jan. 21, 1932
Halifax	$ 2,714,099	$ 2,601,686
Saint John	1,939,790	2,017,967
Moncton	731,696	779,345
Sherbrooke	733,648	574,330
Quebec	5,095,228	4,255,658
Ottawa	6,679,918	6,191,898
Montreal	112,100,097	79,444,634
Kingston	648,134	561,077
Peterboro'	779,020	620,289
Toronto	104,105,633	82,349,374
Hamilton	4,741,187	3,694,918
Kitchener	1,058,094	806,430
Brantford	1,090,382	754,487
London	3,148,622	2,251,245
Chatham	578,664	510,690
Windsor	3,,148,981	3,,097,992
Sarnia	552,359	439,660
Sudbury	709,423	487,419

Western Cities	Jan. 22, 1931	Jan. 21, 1932
Fort William	$ 677,911	$ 631,832
Winnipeg	28,432,469	28,246,308
Brandon	407,602	300,494
Moose Jaw	868,479	520,017
Regina	3,098,669	2,861,597
Saskatoon	1,752,194	1,293,998
Prince Albert	347,613	297,817
Edmonton	5,087,711	3,725,818
Calgary	7,620,934	4,787,337
Medicine Hat	237,957	181,289
Lethbridge	369,911	286,185
Vancouver	16,103,818	13,772,577
New Westminster	630,921	486,204
Victoria	3,994,252	1,522,008

SAYS CURTAILED FOREIGN BALANCES HAMPER BUSINESS

Barclays Bank Stresses Need for Effective Exchange Facilities

While voicing the need for a wider and more effective forward exchange market to enable traders to cover their exchange risks, Barclay's Bank, of London, Eng., in its monthly review for January, points out that there still exists considerable misunderstanding as to the essentials necessary to the creation and proper functioning of such a market. In many quarters it appears to be the opinion that the fault lies with the banks, a belief which, the bank contends, is not justified by the facts.

The cause is attributed to exchange restrictions imposed by foreign countries; the great reduction in the volume of international capital movements, owing to the virtual cessation of overseas lending, and the reversal of the former policy of central banks of holding a substantial proportion of their resources in foreign centres.

Working of Foreign Exchange

"In actual working," the review states, "the forward exchange market presents many complexities, but the underlying basis is very simple indeed. It consists of the ability of the banks and financial houses who make the market both to obtain overdrafts in foreign centres and to place deposits abroad, which, subject to the agreed terms, can be withdrawn without hindrance.

"Two examples may be given:

(a) That of an exporter who wishes to fix the rate for $50,000 he is to receive in three months' time and,

(b) That of an importer who wishes to fix the rate for $100,000 he has to pay in one month's time.

"The exporter in (a) applies to his banker, who thereupon sells $50,000 for immediate delivery, obtaining the necessary dollars by overdrawing his account with his New York correspondent. The rate is thus fixed and, in three months' time, the overdraft is repaid with the dollars received from the exporter. It is obvious that this particular operation would not have been possible if the exporter's banker had been unable to obtain an overdraft, owing to exchange restrictions in America.

"In (b), the banker of the importer who has to pay $100,000 in one month, would fix the rate by buying forthwith $100,000 and placing them to the credit of his account with his New York correspondent. There they would remain until the importer took delivery of them on the agreed date. It is clear that in this case also the operation would be impossible if the importer's banks were unable freely to dispose of balances standing to his credit in New York, owing to exchange restrictions there.

Business Impeded

"Even though the banks interested in creating forward exchange may not actually cover themselves precisely in this way, i.e., by taking overdrafts or creating credit balances, yet this is the technical basis of forward quotations. Therefore, if for any reason, operations of this character are impossible, a normal forward market also becomes impossible and forward transactions can only be carried out by a very limited process of offset.

"In reply to a question in the British House of Commons recently, the Secretary of the Department of Overseas Trade gave the names of no fewer than 23 foreign countries in which restrictions of one kind or another have been placed on exchange transactions by their governments. Nor does this list convey a complete picture of how business is impeded by the difficulty of dealing in foreign currencies, for there are, in addition, a number of countries in which a free market in exchange does not exist, although no definite restrictions have been officially imposed.

"The extent to which the freedom of markets is restricted varies greatly but, in nearly all cases, the effect is to hamper the provision of forward exchange facilities. Moreover, in the uncertain conditions prevailing today, the risk of new or additional restrictions being introduced, which might make difficult or even impossible the completion of a forward exchange contract at the due date is a further impediment to the development of business.

"Another factor, which also serves to curtail activity in the exchanges and, therefore, indirectly to make the forward market less effective, is the great reduction in the volume of international capital movements, owing to the virtual cessation of overseas lending throughout the world and the reversal by many central banks and other institutions of the policy they have hitherto pursued of holding a substantial proportion of their resources in foreign centres.

"The problem is really part of the larger problem of how the wheels of international trade are to be made to revolve freely again, for the object of most of the exchange restrictions imposed by the different countries is the curtailment of imports in order to restore the balance of payments.

"While, in the circumstances, it is not surprising that the course of the sterling exchange has been erratic, some of the currencies still linked to gold have also displayed marked instability, the United States dollar, the French franc and the Dutch guilder having moved between the extremes of their respective upper and lower gold points as expressed against each other.

Correspondent Discusses East, West Bank Credits

Reply Made to Charge That Canadian Banks Lend More Freely in East Than West

In an editorial in The Financial Post of December 19, 1931, under the heading of "Criticisms of Banks Must be Answered," appears the statement: "The banks are constantly faced with the charge that they lend more freely to the big promoters and financiers in the East than to the small producers of the West."

Canadian banks, as every one knows, or should know before making broad unproven charges in the press, are not conducted altogether according to the personal ideas of their executive officers, but subject to the provisions of the Bank Act, which was not evolved by bankers, but by the elected representatives of the people of Canada from the Atlantic to the Pacific including rural as well as urban districts. This Act is the product of some of the brightest minds in Canada, both before and since Confederation; and at stated intervals has been revised and supplemented to conform with the changes of conditions and times.

Little Criticism Before

During so-called "good times"' credits generally, including banking credits, are not subjected to the acid tests which prevail in times such as the present. In "good times" very little criticism is voiced or printed of the attitude of Canadian banks toward the small producers of the West, and the latter are liable to overlook the fact that without security which will insure liquidation of loans within a reasonable period, the so-called "big promoters and financiers in the East" are having just as great difficulty as their Western compatriots in persuading the banks to make them unwarranted advances.

Certain Canadian banks have on different occasions been unjustly criticized for loans made outside of Canada at the expense, it was said, of Canadian business. As a matter of fact, in the South, which was the location under discussion, deposits exceeded loans—a not infrequent condition of affairs — so that instead of Canada being depleted of funds for the benefit of the South, through the fluidity of money under the Canadian branch bank system, Canada was getting the use of surplus Southern deposits.

A Confidential Business

Banking, as everyone knows is a confidential business. No one expects or wants their bank to broadcast information of their deposits or loans. Why then should the banks, in a futile attempt to satisfy the morbid curiosity of their critics, give to the public information of loans to farmers either of the East or the West? These details are systematically tabulated in the head offices of our Canadian banks, and the amount at present outstanding in agricultural loans in the West, would, if published, tend to very quickly annul the charges of the critics of discrimination against the Western farmer.

People generally are loath to admit that others have a clearer vision of what is best for them in the matter of credit. A few are broad enough occasionally to thank their bankers for refusing them a loan; but the majority tend to become knockers, and those who are least deserving of credit, as a rule, knock the hardest.

Custodian of Trust Funds

If bank critics, whether of the East or West, would remember that banks are custodians of trust funds, consisting largely of depositor's savings, and that as such must exercise great discretion in the matters of loans and investments, perhaps some of the criticisms might be more tempered with kindness and justice.

It is to the interest of Canadian banks, as well as that of every Canadian, to build up and develop a greater Canada. Agriculture is admittedly one of the basic industries of any country, and as it prospers, traders, bankers and the people in general prosper. Why then should Canadian bankers adopt a suicidal policy of penalizing the agrarian interests of the West? To do so would be to credit them with even less gray matter than some of their uninformed critics concede.

"J. W. F."

Claims Banks Side-Stepping Responsibility

From Our Own Correspondent

VANCOUVER.—Canadian banks have evaded their responsibility in the matter of business credit in the present situation, according to Charles J. Stone, retiring chairman of the Vancouver branch of the Canadian Credit Institute, who addressed the organization's annual meeting recently.

"The past year has been difficult for credit men," said Mr. Stone. "As usual our Canadian banks have let the burden fall on the credit men instead of shouldering it themselves.

"It would be interesting to see what would happen if the credit men adopted the same policy as the banks. The credit men are given no security such as the banks require. Now, of course, they find that many cannot pay and that others are wondering whether they should pay or not.

"The banks even refuse to accept as collateral the relief tickets issued in the interior of the province. Merchants have to wait for months to get their money from the province. I am told and I believe that this refusal is bringing to the verge of bankruptcy several firms that might otherwise survive."

Herring Meal Output Gained

Herring meal production in New Brunswick increased substantially in 1930 according to the Fisheries News Bulletin, and amounted to 1,125 hundredweight with a marketed value of $40,300. As compared with 1929 figures, there was an increase of over 400 hundredweight in quantity of output and of more than $10,000 in value.

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Canadian Pulp and Paper Industry

PULP PRODUCTION TREND UNCHANGED RECENT MONTHS

November Returns Are Under Figures Reported in 1930

From Our Own Correspondent

MONTREAL.—No change is apparent in the trend of pulp production either in Canada or the United States, judging by returns compiled by the Newsprint Service Bureau for the first eleven months of 1931.

During November last, Canadian groundwood pulp mills turned out 105,281 tons, bringing the cumulative production to date up to 1,249,984 tons. Comparative figures for 1930 show a November production of 139,211 and eleven months' total of 1,494,053 tons.

Production of the American groundwood mills totalled 73,994 tons in November as against 67,221 tons for the same month in 1930. During the first eleven months of 1931 cumulative production amounted to 792,503 tons or approximately 118,000 tons less than for the corresponding period of the preceding year.

Stocks Show Gain

Groundwood pulp stocks on hand both in Canada and in the United States at the end of November last totalled 77,332 tons, of which Canada had 22,480 tons and the United States 54,852 tons. On the same date in 1930, the United States had on hand 46,599 tons of groundwood and Canada, 7,817 tons, making a grand total of 54,416 tons.

Sulphite Output Lower

Sulphite porduction continues on a lower scale, production in Canada in November last amounting to 33,543 tons, or roughly 7,000 tons less than in the same month of the preceding year. For the January-November period of 1931, Canadian mills turned out 372,009 tons of sulphite, compared with 544,816 tons for the same period in 1930.

United States sulphite mills had a production of 25,698 tons in November, 1931, as against 29,120 tons for November, 1930. Cumulative production for 1930 totalled 363,121 tons, as against 300,622 tons for the first eleven months of 1931.

Stocks of sulphite pulp on hand at the end of November last totalled 10,217 tons, of which United States had 6,476 and Canada 3,741 tons. At the close of November, 1930, the 11,541 tons of sulphite stocks were almost equally divided between the two countries, the United States having 5,683 and Canada, 5,858 tons.

FINAL ESTIMATE OF WHEAT CROP 304,144,000 BUS.

Dept. of Agriculture Puts Field Crop Value at $425,000,000

Canada's wheat crop in 1931 is now finally estimated by the Dominion Bureau of Statistics at 304,144,000 bushels, which compares with the figure of 420,672,000 bushels for the crop of the previous year. The new estimate for 1931 represents an increase of about 6 million bushels over the provisional estimate of November 12. The increases occur in Ontario, Saskatchewan and Alberta, with the estimates for the other provinces practically unchanged.

Acreages compiled from the decennial census of June, 1931, have been used wherever available. In accordance with previous practice, however, the estimates may be subjected to further revision when full marketing statistics for the western provinces are available at the end of the crop year.

Other Estimates Close

Production of the grain crops is about the same as forecasted on November 12, with oats and barley being particularly close to the November estimates. Rye, flaxseed, buckwheat and corn for husking are placed lower. A necessary upward revision has been made in the 1930 flaxseed production now given as 5,069,000 bushels in place of 4,399,000 bushels. The 1931 production of potatoes is now estimated at 52,305,000 cwt. compared with the provisional estimate of 55,089,000 cwt. and last year's estimate of 48,241,000 cwt.

Aggregate value of all field crops in 1931 is estimated at $425,065,100, as compared with $662,040,900 in 1930. The total area under field crops in 1931 is estimated at 57,964,056 acres, as compared with 62,214,670 acres in 1930. It will be noted that there is a decline of 4.25 million acres in the area devoted to the principal field crops of Canada in 1931 as compared with 1930, the decrease being about equally divided among Quebec, Ontario, Manitoba and Saskatchewan.

Details Given

The total values of field crops for 1930 with estimates for 1931 are shown in the appended table, average prices used in valuation being based on monthly and special compilations up to the end of December, 1931. These are therefore subject to price changes during the balance of seven months of the crop season.

Value of Field Crops
000's omitted)

	1931 $	1930 $
Wheat	117,080	204,692
Oats	77,970	102,919
Barley	17,465	27,254
Rye	1,476	4,401
Peas	1,155	3,487
Beans	873	3,261
Buckwheat	3,299	7,124
Mixed grains	14,453	18,435
Flaxseed	2,025	4,741
Corn, for husking	2,253	5,054
Potatoes	22,359	39,858
Turnips, etc.	8,089	18,180
Hay and clover	106,343	161,122
Alfalfa	13,917	19,877
Corn (fodder)	11,371	17,142
Grain hay	22,180	21,254
Sugar beets	2,807	8,238

Fatten More Cattle This Winter

Reports from the Department of Agriculture show an unusually large number of cattle being fattened during the present winter, both in the Prairie Provinces and the Provinces of Ontario and Quebec. This is one result of the present low price of feed. In most cases these cattle are being prepared for the British market.

Howe Lumber Shareholders' Outlook Glum

From Our Own Correspondent

MONTREAL. — Present indications are that shareholders of Howe Lumber Co., in bankruptcy, will receive nothing for their holdings and it is unlikely that creditors will fare any better, according to reliable information received by The Financial Post. Settlement of advances made under section 88 of the Bank Act will absorb practically all the company's assets.

Howe Lumber was placed in receivership in November, 1931, following a wide depreciation in the value of its inventories. Sales also had fallen off sharply owing to the reduced volume of business in the building trades. No financial statement has been issued since March 31, 1929.

Stock outstanding comprises $350,100 of 7 per cent first preferred; $167,000 of second preferred and 15,000 shares of no par common stock. The first preferred was offered publicly in 1928 at par with a bonus of one-half share of common. Fractional shares of common were adjusted at $20 a share.

Howe Lumber operates a plant at Three Rivers with branches at Montreal and Shawinigan Falls.

URGE DISCUSSION SOVIET LUMBER AT CONFERENCE

B. C. Lumbermen Think Ottawa Parley Should Air Problem

From Our Own Correspondent

VANCOUVER.—British Columbia lumbermen are becoming convinced that the question of Soviet competition should be one of the subjects to be dealt with at the Empire economic conference in Canada this year.

Although still continuing their effort to have the negotiations proceeding in Great Britain with Russian timbermen forestalled, the lumbermen believe that even if they are successful in this instance, it will not definitely settle the status of Canadian lumber in the United Kingdom market.

Seek Permanent Market

"What we are seeking is not a temporary market in the British Isles but a permanent one that will gradually increase," said a leading lumber operator to The Financial Post. "We want to develop the lumber trade into one of the primary products in the upbuilding of trade within the Empire. British Columbia is one of the few, and certainly the largest, sources of softwood lumber in the British Empire, and it should be good imperial policy to encourage and develop that softwood supply within the Empire, rather than have it handicapped by the competition of foreign products offered at ruinous prices."

Total Exclusion Mooted

Some interests in Britain are said to be urging total exclusion of Russian lumber, while others are favoring a more modified policy of a quota on not only Russian lumber, but lumber from Finland and the Scandinavian countries. These interests would have a preference placed on all Empire-produced lumber. Opponents of this measure point out, however, that to prohibit cheap Russian lumber would be to penalize Britain's important housing programme.

In a sense, it is pointed out, exclusion of Russian lumber alone would not remedy the situation as it would still leave the market open for other Baltic countries which, because of lower production costs and proximity to the market, are able to undersell Canadian lumber.

PULP AND PAPER DECEMBER TRADE ON LOWER SCALE

Drop in Newsprint Sales Pulls Down Aggregate Values

From Our Own Correspondent

MONTREAL.—Exports of Canadian Paper, pulp and pulpwood had a lower value in December last than in the preceding month or for December, 1930, according to returns compiled by the Dominion Department of Trade and Commerce.

For the past month exports had an aggregate value of $11,437,498. This compares with $12,328,060 in November and with $16,148,635 in December, 1930.

Detailed returns for December, 1931, show that the value of wood pulp exports was $2,394,402, as against $2,577,546 for the same months a year ago. Sulphate exports showed little change at $376,803, while bleached sulphite registered an increase from $1,070,739 in December, 1930, to $1,163,352 for the same month in 1931. Unbleached sulphite export values fell off sharply from $605,511 in 1930 to $327,192 last year.

Gain for Groundwood

Groundwood pulp exports, on the other hand, advanced $56,000 to $511,527. There was little change of importance in the other types of pulp exports in December last.

Pulpwood exports last month had a total value of $380,451. This compared with $512,663 in November and $755,277 for December, 1930. The principal change was the sharp decline in the exports of "other" peeled pulpwood, which fell from $696,077 in December, 1930, to $318,654 for December, 1931.

Newsprint Values Down

Paper exports in December last had a value of $8,662,645, or approximately $4,000,000 less than in the same month of the preceding year. The decline is almost wholly accounted for by the falling off in the shipments of newsprint paper, which had a value last month of $7,533,515. It is interesting to note that exports of wrapping paper, bond and writing paper, wall paper, and wallboard, increased in value last month as compared with December, 1930.

BLDG. PRODUCTS EARNINGS COVER DIVIDEND NEEDS

Profits Equal to $2.18 a Share on Common

From Our Own Correspondent

MONTREAL.—Earnings of Building Products Ltd., in 1931, though lower than those of the previous year, were sufficient to cover dividends on the capital stock which are paid at the rate of $2 annually. Net profit was $263,820 or the equivalent of $2.18 a share on the "A" and "B" share; in 1930 net profit was $326,434 or $2.70 a share on the common.

Net profit includes provision for depreciation and contingency reserve and addition of income received from investors. During 1931 the sum of $111,085 was added to depreciation reserve compared with $112,517 in the previous period.

Following is a comparison of income accounts for the past three years:

	1931 $	1930 $	1929 $
Net profit	263,820	326,434	418,482
Pfd. divd.	......	......	6,602
Balance	263,820	326,434	411,880
Com. divid.	241,692	241,692	205,438
Balance	22,128	84,742	206,442
Prev. surp.	934,649	849,907	643,465
P. and L. bal.	956,777	934,649	849,907

Working Capital Higher

Working capital is higher by $67,000 at $1,894,092, while ratio of current assets to current liabilities has been further increased amounting to 19 to 1 compared with 13 to 1 at the end of 1930. Current assets are slightly higher due to a gain in investment account while current liabilities reflect a slight drop in payables.

Notable changes in assets include an increase of $259,000 in investments which now total $995,009; a gain of $150,000 in accounts receivable which stand at $559,012 and a reduction of $376,000 in cash and call loans to $93,303. Inventories are down $12,000 at $351,625.

Reflecting additions made to plant last year, property account totals $1,315,634 an increase of $88,000 total assets are up $109,000 to $3,320,563.

Accounts Payable Lower

In liabilities, accounts payable are lower $47,000 at $103,858, while depreciation reserve has been increased from $482,984 to $594,069. Capital structure is unchanged and surplus has been increased by $22,000 to $956,777.

Encouragement was seen in the remarks of P. R. Allen, president of the company who said to shareholders:

"The introduction of new products, produced for the first time in 1931, helped maintain a good volume for the year.

"During the year, a new factory for the production of premoulded asphalt products was completed at Hamilton, Ont. In a very few weeks we expect to produce at this same plant asphalt floor tiles in various colors and, in addition, a new type of asphalt shingle for use in place of slate and tile. These articles have, heretofore, not been manufactured in Canada.

"A new siding, simulating brick, for use on the side walls of old buildings, will also be placed on the market early this year.

"Since replacements and repairs continue to be necessary, and as we produce a complete line of materials used for these purposes, we have reason to look forward with optimism to the coming year"

J. S. MITCHELL CO. CONCLUDES YEAR SOUND PROGRESS

Though Earnings Lower, Financial Position Strengthened

From Our Own Correspondent

MONTREAL.—Further strengthening in the financial position of J. S. Mitchell Co., operating a general supply business from Sherbrooke, will be shown in the report for 1931 to be published shortly.

The income statement will show that after payment of dividends on the preferred stock, amounting to $24,746, together with dividends on the common stock, amounting to $30,000 nd after writing down the company's inventories and holdings of Dominion of Canada bonds to market prices, surplus account was drawn upon to the extent of about $14,000. Of this latter figure, however, some $13,625 was set up as a reserve against depreciation in the value of Dominion of Canada bond holdings.

Increase Common Equity

Following its usual conservative policy, the company retired $18,000 of its 6 per cent first mortgage bonds during the year, leaving outstanding only $82,000 principal amount. The preferred stock outstanding was also reduced by $40,000 during the year, leaving the total of that issue at $340,000. These redemptions together represent reduction in fixed charges, of approximately $4,000 per annum.

Could Pay All Charges

The liquid position of the company remains exceptionally strong. The forthcoming statement will show that the company's cash in bank, together with its Victory bond holdings, is sufficient for the complete discharge of every liability to the public without reckoning on accounts receivable and inventories.

At the close of the year, J. S. Mitchell's profit and loss balance approximated $334,000. This compares with $329,032 at the close of the preceding year. Current assets as at the end of December, 1931, were about $832,000 and current liabilities about $135,000, leaving net working capital of around $697,000. Total assets are now in the region of $1,233,134.

Quebec Honey Output Gains

The 1931 honey production of the Province of Quebec, according to reports from 1,773 apiarists, is as follows: Honey extract, 4,006,084 pounds; honey in combs, 396,696 pounds; wax, 55,437 pounds. This is an increase over the previous year of 21 p.c. for honey extract, 27.9 p.c. for honey in combs and 15.7 for wax.

INVESTORS SYND. ASSETS INCREASED TO $46,646,218

Delinquencies on First 11,000 Mortgage Loans Less Than 5 p.c.

Investors' Syndicate, of Minneapolis, reports in its year-end financial statement an increase in assets during the year of $7,836,102 to $46,646,218, the largest increase in the company's 38-year history, according to the treasurer, E. M. Richardson. Combined capital, surplus and reserves are shown at $6,192,678, a gain in the year of $986,186. The company does not publish a revenue statement.

"First mortgage loans on improved city residential property totalled 34,310,118," said Mr. Richardson. "Delinquencies on our loans have been remarkably small during 1931. The conditions of these loans, covering as they do, over 11,000 homes in 26 cities of United States and Canada, is an encouraging demonstration of people's ability to 'carry on.'

"Loans are on the amortization basis, requiring monthly payments of principal and interest, and payments become delinquent after ninety days. Such delinquencies total slightly less than ½ of 1 per cent of total loans outstanding. Our ratio of delinquent payments was reduced below ½ of 1 per cent in 1926, and has been maintained within that limit ever since.

"Bonds and securities totalled $4,156,841, while cash on hand and in banks was $712,572, placing the company in the most liquid position in its history.

"Investment certificate cash values totalled $32,983,024, an increase of $5,473,210 during the year.

"Certificate reserve actuarially set aside, over and above legal liability, was $4,690,578, or an increase of $878,970.28."

Canadian Industries Ltd. Cellophane Unit Progressing

From Our Own Correspondent

MONTREAL.—Construction operations are well advanced on the new cellophane manufacturing plant of Canadian Industries, Ltd., at Shawinigan Falls, and it is now expected that operations will be commenced early in the spring.

One of the principal parts of the new plant is the power unit, which is near completion. Electric steam generators of the Kaelin type are being used and power will be purchased from the Shawinigan Water and Power Co. The power plant will contain two electric steam boilers of 10,000 kw. each, air compressors, refrigerating equipment, water pump, pressure filters, etc. Practically all the equipment is duplicated.

The main manufacturing building is 375 feet long and 125 feet wide and varies from one story to six stories in height. It is of brick and concrete construction with steel sash.

Drummond St. Realty Fails to Get Quorum

From Our Own Correspondent

MONTREAL.—At a meeting of bondholders of Drummond Street Realty Corp., held on January 22, a quorum could not be secured and the meeting was postponed until February 11. In the meantime interest on the 6½ per cent refunding mortgage bonds payable February 1 will not be paid.

The purpose of the meeting was to secure bondholders' approval of a plan to postpone until February 1, 1934, interest due on February 1 and August 1, 1932 and 1933. It was also planned to waive sinking fund payments until November, 1934.

Drummond Street Realty owns the La Salle Hotel in Montreal. There are outstanding in the hands of the public $625,000 of refunding mortgage bonds, of which $92,000 are held in escrow.

Abitibi Power & Paper Company, Limited
TORONTO, ONT.

Owning and operating mills at

Murray Bay, Que.
Beaupre, Que.
Sturgeon Falls, Ont.
Espanola, Ont.
Sault Ste. Marie, Ont.
Iroquois Falls, Ont.
Smooth Rock Falls, Ont.
Fort William, Ont.
Pine Falls, Manitoba

Daily Capacity 2200 Tons Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

McDougall and Cowans Scheme is Proceeding

From Our Own Correspondent

MONTREAL.—Gordon W. Scott, trustee of McDougall and Cowans in bankruptcy, has advised creditors that steps are now being taken to consummate the scheme of arrangement as submitted by the debtors and approved by the creditors and, in turn, passed upon by the Bankruptcy Division of the Superior Court. When the realization company is incorporated and vested with the assets of the debtors' estate, arrangements will be made to send out to the creditors certificates of indebtedness of the new company.

Again AUBURN Leads With Greatest Values

Improved
STRAIGHT EIGHT

It was the Unequalled Value of Auburn's Eights that caused Auburn's sales to increase over 150% last year. In the new Improved Straight Eights Auburn carries Value to another new high level. We have sought for every possible way to still further improve these cars; we have simply poured Quality into them; strengthened—refined—and added many important comfort and performance features. Again Auburn Straight Eights offer The World's Greatest Motor Car Value; 100 Horse Power Lycoming Motor; 127 inch Wheelbase; L.G.S. Free Wheeling with Silent-Constant Mesh Transmission; Twist-proof X-type cross-member frame, originated by Auburn; Bijur Automatic Chassis Lubrication; Improved 4-wheel Brakes; four 2-way hydraulic shock absorbers; larger, heavier, irreversible steering mechanism; kick-shackle in front spring that minimizes road-shock; more enduring body construction; body fully insulated; new more luxurious interiors. Seven Models of Straight Eights, that again set the pace for distinctive design, completeness of appointment and greatest per-dollar value.

New
160 h. p. TWELVE

AUBURN announces a new Twelve with advantages obtainable in no other car in the world! We want you to verify for yourself, our claim that this new Auburn Twelve—Accelerates Faster—Runs Faster and Smoother—Climbs Hills Faster and Easier, than any other production car. Despite its size, power and speed, this Twelve is extraordinarily economical; will run more miles per gallon than many Sixes and Eights of far less Horse Power. The chassis is new from end to end, new Lycoming 12-cylinder motor; 392 inch piston displacement; 160 actual dynamometer Horse Power; horizontal opposed valves; 133 inch Wheelbase; L. G. S. Free Wheeling with Silent-Constant Mesh Transmission; X-type cross-member frame; Bijur Automatic Chassis Lubrication; a completely new shock-proof steering mechanism; new type extra large and powerful hydraulic brakes and six-ply tires, improved universal joints, which should require lubrication only once a year. Six Models, never approached in Value!

Auburn "12" and "8" Custom Models include

Dual Ratio

Dual-Ratio is an even greater improvement in automobiles than were Free Wheeling and Silent-Constant Mesh Transmission. To enjoy its advantages you do not shift gears any differently than now. Simply turn a lever on the instrument panel and you completely change the character, performance, and capabilities of your Auburn. The results obtained eclipse all previous automobile performance.

Turn it one way and you have a car that goes up hills FASTER than any other production car—that accelerates and gets away from traffic AHEAD of all other cars—and that gives extra power, without strain on the motor, for pulling through sand, etc.

Turn the lever the other way and you have a car especially adapted for level roads—that will run FASTER AND SMOOTHER than any other production car. You are not needlessly racing your motor, depreciating it, wasting fuel!

In the higher ratios the motor drops down one-third of its revolutions, but your car continues at the speed of other cars whose motors are being abused. For this reason Dual-Ratio makes possible a great reduction in wear and tear on the motor and moving parts—a reduction in vibration—a reduction in noise—and a reduction in fuel consumption. It means smoother, easier, and more enjoyable performance, and LONGER CAR LIFE.

Just as Auburn was the pioneer of Straight Eights, years ahead of others; and originated the X-type frame which others are copying; and offered the first car to combine Free Wheeling with Silent-Constant Mesh—and first to have Free Wheeling in all forward speeds; so Auburn again leads with Dual-Ratio.

In this manner, Auburn keeps its value the greatest on the market, at the least cost to the consumer.

Auburn Automobile Company, Auburn, Indiana
Division Cord Corporation

DESCENDING SCALE OF EMPLOYMENT CONTINUED IN 1931

Year Closes at Lowest Point Since 1926

Average employment in Canada during 1931 is represented by the index number 102.5, which compares with 113.4 in 1930, 119.0 in 1929, 111.6 in 1928 and 104.6 in 1927. These figures indicate the variation from the 1926 average, the 100 base, as compiled by the Dominion Bureau of Statistics. Employment in 1931 is, therefore, shown to have been at a lower level than any year since 1926.

The monthly average of workers, compiled upon returns from 7,700 firms, was 927,485, ranging between a lower point of 899,823 on April 1 and 972,537 on September 1, when the index reached its peak for the year at 107.1. In 1930 the index reached its maximum of 118.9 at July 1, while the highest point reached in 1929 was 127.8 at August 1. In connection with the index numbers, it is pointed out that the present depression has been characterized by a very general movement to retain as far as possible the utmost working force by reducing the number of hours worked. Thus the aggregate earnings, if available, would show a greater decline than the numbers on the payrolls.

Survey of Trades

Conditions, by the various kinds of trade, are briefly surveyed as follows:

Construction.—The outstanding feature of the situation in most years is the violent fluctuation in construction work; in 1931, however, the unemployment relief projects exercised a stabilizing effect on these industries, and this, with other factors, resulted in a somewhat smoother curve in construction as a whole than is usually indicated. The number of workers employed under the relief schemes was, of course, greater than appears in these statistics, owing to the methods used in rotating the work so as to assist the largest possible number of persons. For eight months of the year, activity in construction was greater than in 1930, and employment during the year averaged slightly higher.

Manufacturing, on the whole, was dull; this group, with

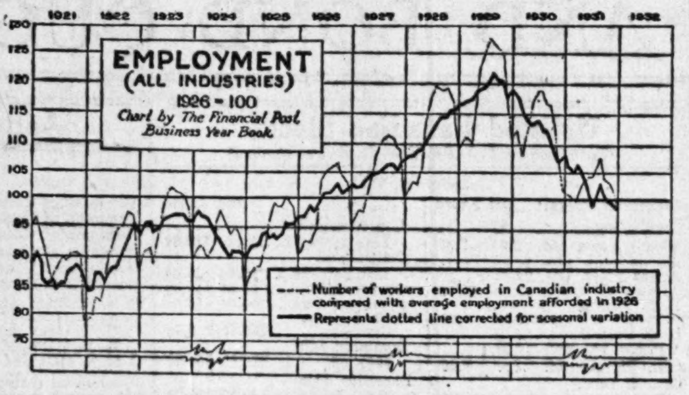
Logging and transportation, reported a decidedly lower level of activity than was generally indicated in the other industries.

Mining.—A fairly steady volume of employment was maintained in mining during the year, non-metallic ore production showing greater activity than the other divisions.

Services and trade, on the whole, reported a better situation than obtained in other industries except construction; this was partly due to a moderately brisk tourist trade during the season. It is also probable that many trading establishments were obliged to lay off some of their employees for a part of many months during the year, but the methods of rotation in practice prevented the statistics for a considerable number of firms from fully showing this condition.

Movement Charted

Appended chart shows the number of workers employed in Canadian industry on the first day of the month by the firms reporting, compared with the average employment they afforded in the calendar year 1926, and the same curve corrected for seasonal variation as determined by the experience of the last decade.



Better Demand Reported for Newfoundland Fish

Fish markets are reported from St. John's, Newfoundland, to be somewhat brighter than they have been for some time and the port records fairly heavy shipments during the past few weeks. Stocks are now heavy but it is anticipated that with the early Lenten season good movement will be seen shortly and that prices will be more encouraging.

Better demand is stated to be coming from Brazil following removal by that country of the restrictions on cash remittances. Newfoundland exporters state that they are now receiving payments as soon as these are due. Halifax reports some good shipments of fish to the U. S., suitable for the Italian-American trade, while prices obtained, assisted by the premium, have made the business profitable. European markets are also improved.

Lobsters are in fair demand, prices remaining about the same. Frozen fish is in good supply though the mild weather has been unfavorable for the handling of this class. The market for salt mackerel and salt fish has been quiet.

INCOME RETURNS SHOW MUCH CHANGE

Federal Returns Off 20 p.c.; Halifax and Ottawa Districts Gain

Income tax collections by the federal government for the first nine months of the fiscal year ending December, 1931, are approximately 20 per cent behind the similar returns for 1930, according to latest figures released by the National Revenue Department. Total returns as at the end of December amounted to $55,000,000, a drop of $13,966,937 from the corresponding total a year ago.

Montreal still leads all income tax districts with a total of $17,405,000 collected this year, as compared with $21,864,000 in the same period a year ago. Toronto comes next with $15,400,000 as against $18,455,000 collected as at the end of December, 1930. London, Ont., district retains third place with Hamilton a close fourth, while Vancouver and Winnipeg, which a year ago ranked fifth and sixth respectively, have yielded to Ottawa, which now holds fifth place, with a return of $2,594,000, that figure being actually $22,000 above the same figure a year ago.

Outside Ottawa district, the only area in Canada to show a gain is Halifax, their returns being actually 17 per cent above corresponding figures of a year ago.

Index of Prices Show Fall in Living Costs

Living costs in Canada registered an appreciable drop during 1931, the index figure compiled by the Dominion Bureau of Statistics falling from 95.1 in January to 86.5 in December. The same index in 1930 fell from 102.1 to 95.9. Retail prices, excluding items of shelter and service costs, dropped from 90.4 to 78.9 during the year, indicating, as might be expected, that the reduction in living expenses has been retarded by the slow movement of prices and rates for shelter and service.

Price changes affected budgetary group indexes during 1931 as follows: Foods fell from 89.1 in January to 71.2 for December; the fuel index changed from 95.7 to 94.2; rentals declined from 105.5 to 99.3; clothing dropped from 88.3 to 78.6; and sundries moved from 98.8 to 98.0.

First Radio Talk Outlines Canada's Investment Place

Opportunities Are Offered Investors in Many Fields

NEEDS CAPITAL

Has All Essentials That Are Required for Future Development — Credit is Sound

Editor's Note. — The following address is the first of a series of talks on Principles of Investment arranged by Western High School of Commerce, Toronto, and broadcast by station CFCA on Jan. 27 at 7.45 p.m. E. S. T. The next talk will be on "Security" and will be given at 7.30 p.m. on February 3. The series will be published in The Financial Post each week.

By C. P. FELL

The subject of investment and investment principles is unquestionably now one of general public interest in Canada. Of the total population the numbers who are, or who may be investors, have shown a rapid increase during the past generation. The best evidence of this is to be found in the results of the War and Victory Loan Campaigns of the Dominion of Canada when at least 1,500,000 purchased bonds—or 1 out of every 6 of the total population.

To most Canadians at some time or other, there will come an investment problem which will bring into play certain basic principles, familiar in the main to those engaged in the profession of investment banking, but possibly a half-open book to many in other spheres of activity. Bond dealers and stock brokers as intermediaries, to some extent guide the investment of funds, but in the aggregate it is the ultimate investor who by his knowledge and desires, directs the course of new capital.

It is the purpose therefore of this series of short lectures to indicate the basic principles of investment. In order that we may deal with the subject in as practical and Canadian a way as possible, I should like to speak first briefly on the topic **"Canada as a Field for Investment."**

Canada is Fertile Field

One need not, I think, be unduly patriotic to believe with conviction that as a field for investment Canada stands second to none in the world. A young and growing country of the north, peopled in the main by a hardy Anglo-Saxon race, it is a land embodying boundless and diversified natural resources of soil, mines, forest and water power. We are imbued with English traditions of law and order. Respect for legal and moral obligations is bred in us. A sound banking system we have, in which is greater confidence today than ever before. The Canadian political system leaves much to be desired no doubt, but to those who have an intimate knowledge of conditions for example in the United States, or possibly, by investment experience, have an insight into the revolutionary method of effecting a change of government in some of the South American countries, the Canadian scene may be viewed with some degree of equanimity.

Let us spread before us a map of Canada, stretching from the Atlantic Ocean and the Maritime Provinces in the east—westward to the Province of Quebec—the Great Lakes— the three Prairie provinces, and finally British Columbia on the west and the Pacific Ocean. Picture to yourself the natural resources of each of these provinces: **Nova Scotia** with its coal mining, manufacturing, and its fisheries; **New Brunswick and P. Edward Island** with their farm and timber areas; **Quebec**, second to Ontario in population, but first in area, production of forest wealth and the development of water power; **Ontario**, the central province, with one-third of the total national wealth, leading in the value of its agricultural production, and providing one-third of the mineral, and more than 50 per cent of the manufacturing output; **Manitoba, Saskatchewan and Alberta**—representing 25 per cent of the total national wealth, whose aggregate population now promises before many years to equal that of Quebec, and possibly even that of Ontario; and finally, **British Columbia**, with its fisheries and timber areas—the clearing house for trade with the Orient.

Compares Well

The fact of great national and great per capita wealth and undeveloped natural resources has not enabled us to escape the many and pressing difficulties common to all countries of the world today—problems commercial, financial, and political—many of serious proportions—and it would be unwise at this time to minimize the concern with which our business and political leaders are now grappling with them. But it would be unfortunate indeed to be so blinded by our passing difficulties that we forget the basic soundness of the fundamentals of this country. No country in the world is better off today. The intrinsic worth of investments made in the past in Canada through the medium of government and municipal bonds, corporation bonds, preferred and common stocks, mortgages, and the other usual investment media—in the aggregate will stand favorable comparison with the experience in any other country in the world.

And I should like briefly to refer to the various channels through which investors, both in Canada and abroad, may put their funds to work to the best and most productive advantage within this country.

The Federal Government at Ottawa, and each of these **provincial governments** have borrowed a total of $3,275,000,000 by the issue and sale of their bonds. This money in the main has been used by our bodies politic, for productive purposes with the exception of the cost of the war. Among the most important expenditures may be included (a) railways and canals; (b) public buildings and educational institutions; (c) provincial highways and public utility enterprises of various kinds—for example, the Ontario Hydro-Electric System, and the telephone systems of the Prairie Provinces.

Canadian municipalities likewise are extensive borrowers—in excess of $1,150,000,000. Bonds of the cities of Halifax, Montreal, Toronto, Vancouver and Victoria, to mention only five, are listed on the London, England, Stock Exchange, and for years have been known by English investors. The purposes of this borrowing include improvements such as sidewalks, pavements, sewers, schools, firehalls, and water works and electric systems.

Railway and public utility companies by rail and wire provide the necessities of transportation, power and speech from the Atlantic to the Pacific. The essential services which they furnish and the comparative stability of their earning power are attractive to investors, and the bonds and shares of well-established companies command a high degree of confidence. Among the best-known may be mentioned: Canadian Pacific Railway, Bell Telephone Co. of Canada, Montreal Light, Heat & Power Co., Consumers' Gas Co. of Toronto and Gatineau Power Co.

During the past five years, an average of $200,000,000 annually of new Canadian railway and public utility bonds have been sold in the United States and Canada.

Industry Needs Capital

Canadian manufacturing and commercial activity, while widely spread throughout the Dominion is largely centred in Ontario and Quebec where are found cheap and abundant hydro-electric power in close proximity to raw materials, and large centres of population. Some $4,800,000,000 of capital is invested in 24,000 Canadian manufacturing plants, many of the largest and most successful of which have bonds and preferred and common stocks outstanding in the hands of the public. These securities may be purchased through the bond houses, or through members of the Toronto Stock Exchange. For example, one might mention securities of the following well-known companies:

Abitibi Power & Paper Co., Canada Cement Co., Harris Abattoir Co., Page-Hersey Tubes Ltd., Robert Simpson Co., Steel Company of Canada, Loblaw's Groceterias Ltd., and Imperial Oil Ltd.

Other popular Canadian investments include real estate mortgages, common shares of Canadian banks, trust and loan companies, life insurance companies, and not least, in Canadian mining enterprises. Canada's future in no small measure will be influenced by the resources of her mineral areas. Recent discoveries in Manitoba, Saskatchewan and Alberta promise shortly to open up new mining areas for development and investment.

Surplus capital in Europe and the United States has, during the past century, found its way into Canada through these various securities to an estimated amount of $6,600,000,000, of which one-third has come from the United Kingdom, and two-thirds from the United States. Prior to 1914, approximately three-quarters of all our new bond issues were sold in the London market. Since 1920, conditions have substantially altered, and our new capital requirements have been obtained approximately one-half from the United States and one-half within our own borders.

These large investments in the past have been made in enterprises that promised certain returns. They have built railroads, carried out extensive government and municipal works, installed public services, developed industries, and helped to open up new territory that has an assured future. The confidence of the British and United States investor in Canadian securities is based on the natural wealth of the country, the permanence and certain prospects of the enterprises developed, and the energy and integrity of the Canadian people. This confidence must be maintained by strict integrity. On this our development and success in the future in no small measure depend, and it is a responsibility resting on the business community of the Dominion, on every bond dealer and broker, on every municipal council, and especially on the Dominion Parliament and Provincial Legislatures, that our written promise to pay—both principal and interest — be fully and promptly met.

That Canada has the intension and ability to fulfill her governmental obligations in full, the Canadian prime minister has recently and very forcefully stated. There is but one way in which Canadian borrowing corporations, governments and municipalities can retain the confidence of the foreign and domestic investing public, and that is, by being worthy of it.

Gives Six Principles

Having now briefly surveyed the Canadian investment field, I should like to leave with you this evening six principles of general application which will be fully discussed in subsequent lectures, and which, to one who is considering investment in any of the securities previously mentioned, should serve as fundamentals around which to build a comprehensive knowledge of this important subject.

1. Clearly set forth the purposes for which you are investing, as this will determine the plan of investment to be pursued.

2. The investment fund should be erected on a solid foundation—Government and municipal bonds, for example, particularly at today's prices, offering a return of from 5¾ per cent to 6 per cent, make an excellent cornerstone.

3. Every investment should be based upon information or sound advice of a responsible bond house or brokerage house, whose only interest in the security is that of an investment dealer. Dual capacity of proprietor and security distributor cannot be said to have redounded entirely to the investor's advantage during recent years.

4. No investment should be made and forgotten—the best of them require watching—and conservative and reliable dealers are glad to analyze individual investment holdings periodically—at least once each year without obligation on the part of the investor.

5. Investments should be diversified to whatever reasonable degree the investment fund will permit in order that the element of risk may be reduced to a minimum. There is no such thing as 100 per cent safety in any security.

6. Assuming that one deals with a reputable house, the investor gets what he or she pays for. The average bond, share, or mortgage offering 8 per cent is less safe than the average one returning 5 per cent.

A more widespread understanding of this fact during the past ten years would have resulted in more emphasis being placed on the omnipresent element of risk. Had it been given the consideration which it merits, many investors today might, in large measure, have been spared the reductions in income and capital depreciation which is almost a universal experience under conditions such as we have today.

Catelli Report Will Show Progress

The annual report of Catelli Macaroni Products Corp. will be available within the next few days for the year ended November 30, 1931. It is understood that operations during 1931 showed considerable improvement over those of 1930.

Since organization in 1928 the company has consolidated its plants and has added to its line of products. Falling prices of wheat in 1930 caused inventory losses and after provision for depreciation earnings in that year were not sufficient to cover other reserves that were set up and a loss was shown before the payment of Class "A" dividends.

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HAMILTON, ONTARIO, CANADA
621 St. James Street, MONTREAL, QUE.

MT. ROYAL HOTEL REPORT REFLECTS TRAFFIC VOLUME

Earnings Are Down But Balance Sheet Improved

From Our Own Correspondent

MONTREAL.—Decline in tourist traffic and consequent limitation of earnings and a relatively satisfactory working capital position, are features of the 1931 annual report of Mount Royal Hotel Co.

During the past twelve months net earnings totalled $583,678, down from $804,821 in the preceding year. After taking care of bond interest and amortization charges and a smaller write-off for depreciation, there remained a balance of $126,451 applicable to dividends on the preferred stock. This compared with $202,635 in 1930.

Draw on Surplus

Net profits were insufficient to cover dividends, which amounted to $204,771, necessitating the drawing upon surplus to the extent of $78,230.

Details of the profit and loss account for the past two years follow:

	1931	1930
Net earnings	$583,678	$804,321
Int. on mtge. loan	201,747	209,073
Amortization	55,480	72,118
Depreciation	200,000	321,000
Net profits	126,451	202,635
Less: Pref. divds.	204,771	136,514
Surplus	†78,320	66,121
Add: Prev. surplus*	90,050	*19,064
Balance	11,731	85,185

†Deficit.
*Adjusted.

Cash Position Good

Examination of the balance sheet, which shows total assets at $10,565,418, reveals among current assets holdings of 436,105 in Dominion Government bonds and other marketable securities. There are also shown call loans of $141,145 and cash on hand of nearly $100,000.

Fixed assets, covering land, building and equipment, are shown at $8,175,496 after setting up $1,945,006 for depreciation.

Current Liabilities Lower

Current liabilities at $167,987 are lower than those shown in the previous report. Deferred charges, including organization and refunding expenses and bond discount, have been written down from $555,930 to $500,450.

Working capital position of the company shows an improvement, the excess of current assets over current liabilities at the end of 1930 being $633,589, as against $551,847 at the close of the previous year.

The funded debt, in accordance with the provision of the trust deed, has been reduced $120,000 to $3,560,000.

B.C. URGED TO SPEND MONEY FOR TOURISTS

Legislature Asked to Vote $50,000 For Advertising

From Our Own Correspondent

VANCOUVER.—An appropriation of $50,000 to finance a drive for tourists is being considered by the British Columbia government following a series of conferences with representative business men who urged that this was an advantageous time for Canada to appeal for tourists on account of the difference in exchange.

Travel to British Columbia, as well as to other parts of Canada, at this time, it is pointed out, enables tourists from the United States to spend their vacations at bargain prices, and if the $50,000 is voted, that will provide the basis of the advertising appeal.

To Reach Californians

The government has been asked to advance a part of the appropriation so that the advertising campaign may be got under way before the last week in March, so as to reach Californians before they have decided on their holiday plans.

Sponsors of this tourist advertising programme point out that although 189,000 United States automobiles came to British Columbia last year, this figure represented only ten per cent of the cars registered in the three northwest states where the publicity campaign would be carried on.

Last year the gas tax collected in British Columbia through these American cars amounted to $250,000, and it is believed that the number of tourist cars will be more than doubled this year if an effective advertising campaign is carried out.

British Columbia's tourist trade, it is declared, has increased fourfold during the last ten years, and the revenue from that business last year was computed at $32,000,000.

B.C. FRUIT GROWERS LOOK FOR BENEFITS

Spirits Cheered By Prospect of Ottawa Imperial Conference

From Our Own Correspondent

VANCOUVER.—Prospect of imperial preference has stimulated the hopes of British Columbia fruit growers, who in the event of the proposed tariff changes coming to pass may be called upon to double their production.

"There is a good chance of imperial preference materializing this or next year," stated Maurice Middleton, provincial government fruit markets expert. "The fruit industry should make it its business to prepare for that situation. The industry should be able to strengthen the hands of their representatives when they meet at Ottawa with delegates from Britain and the other parts of the Dominion to thresh out an Empire trade policy."

British Imports Heavy

Britain imports between four and five million boxes of apples each year. Most of these shipments come from the states of Washington and Oregon, which in the past have offered British Columbia keen competition in several other markets. If imperial preference is granted, it will mean that Washington and Oregon are virtually out of the picture, and a tremendous increase in the demand for B. C. fruit will follow.

British Columbia's present output of apples is about 5,000 carloads, or about 4,000,000 boxes. Of this amount about 25 per cent is exported, so that if the United States shipments are shut out of the British market the call on British Columbia could easily be about double the present quota.

Barclay's Bank Head Flays High Tariff Walls

From Our Own Correspondent

MONTREAL.—Reduction in tariffs and the solution of the war debts and reparations problem would remove the two principal causes of the present depression, in the opinion of F. C. Goodenough, chairman of Barclay's Bank Ltd. Mr. Goodenough, speaking at the annual meeting of the Bank in London, gave a comprehensive review of the present economic situation, and emphasized the adverse effects of foreign tariffs on world trade and the difficulties which war debts placed in the way of an early recovery.

Unless some means could be found for gold to be circulated more freely, it seemed to the speaker that gold would no longer be capable of being put to its normal use as a basis of currency and credits and as a measurement of world prices.

He found, however, that it was more generally recognized now that industrial and trading interests of the world were better served by the greatest possible encouragement being given to the exchange of goods for goods, and that there was little advantage to be gained by accumulating balances abroad, repayment on demand or short notice, as distinct from permanent investment.

Dominion Steel Bids on Bulgarian Rail Order

From Our Own Correspondent

MONTREAL. — Following report that Dominion Steel and Coal Co. would re-light four furnace units of the open hearth department at the Sydney steel plant, it is announced that the orders occasioning the resumption of activities were received from the subsidiary companies of the corporation, notably the Halifax Shipyards, Pender Nail Works, and Eastern Car Works.

In commenting upon prospects for a rail order, H. J. Kelley, general manager of the company, stated that the company had placed its bid on an order which the Bulgarian State Railway contemplated issuing. The order in question calls for the manufacture of 100 pound rails of 60 feet dimension, which would, in the event of it being placed with the Sydney plant, result in a complete re-arrangement of the mechanical complexion of the rail mill. Heretofore the largest rail, that is in point of lineage, rolled by the Sydney plant was 42 feet; the standard sizes as required by Canadian and other railway companies are 30 and 39 footers.

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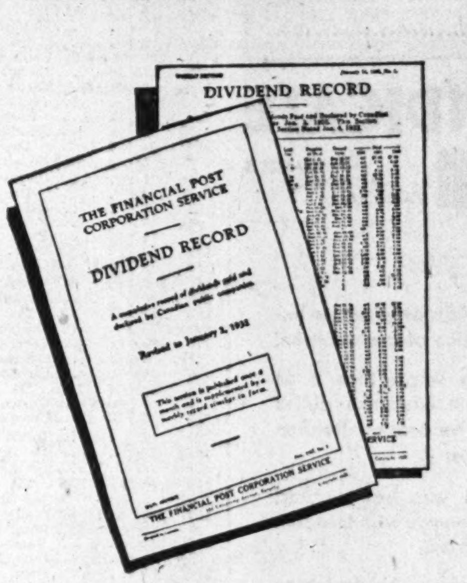
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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Stocks

WEEK ENDING JANUARY 25

Range 1932 High	Low	Divd. Rate in $	Yield in % Jan. 23		Sales	Close Jan. 18 (or last)	Week Ending —Jan. 25— High	Low	Close
3	2¾	.	...	Abitibi, c.	40	3	3	2¾	2¾
9⅞	6⅝	.	...	Do. pref.	255	9½	8	7½	8
x105	80	.	...	Do. pref.	....	80½	..	..	..
80	80	7	8.8	Acme F. D'y, p	5	..	80	80	80
x9	5½	.	...	Agnew Surp. c.	....	9	..	..	..
x88	83	7	8.4	Do. pref.	....	83	..	..	..
7	6½	.	...	Alta. Pac. Gr.	10	7	6½	6½	6½
x30	10½	.	...	Do. pref.	....	30	..	..	..
x4	3	.	...	Amal. Electric	....	3	..	..	..
x18	10	.	...	Do. pref.	....	10	..	..	..
x3½	2½	25c	...	Anglo N. Hold.	....	3½	..	..	..
.25	.25	.	...	Asbestos	....	.25	..	..	..
1	1	.	...	Do. pref.	35	1	1	1	1
5½	5½	60c	10.9	Assoc. Brew.	....	5½	..	..	..
x70½	67	7	10	Do. pref.	....	70	..	..	..
x10	3	.	...	Assoc. Can.	....	3	..	..	..
x69	65	4+50	...	Assoc. Tel.	....	66	..	..	..
x37½	12¾	.	...	Atlan. Sugar*	....	22½	..	..	..
92	92	.	...	Do. pref.	....	92	..	..	..
159¾	159¾	10	6.3	Bk. Can. Nat.*	....	159¾	..	..	..
225	225	12	5.3	Bk. Montreal*	....	225	..	..	..
274	274	16	5.8	Bk. N. Scotia*	21	274	274	274	274
x238	213	12	5.6	Bk. Toronto*	....	213	..	..	..
x24	8½	.	...	Barcelona Tr.	....	15	..	..	..
x5¼	3	.	...	Bathurst Pr.	....	3	..	..	..
x5	1	.	...	Do. (B)	....	1	..	..	..
‡26	26	.	...	Bawlf Grain	....	..	..	..	..
x25	20	.	...	Do. pref.	....	20	..	..	..
x12	6	.	...	Beath & Sons	....	6	..	..	..
10	10	1	10	Beatty Bros. A	....	10	..	..	..
60	57	6	10	Do. pref.	96	58	60	57	60
3½	3½		...	Beauharnois*	35	3½	3½	3½	3½
x93	85	7	8.2	Belding Cort.*	....	85	..	..	..
100	90	7	7.8	Do. pref.*	....	90	..	..	..
x55	10	.	...	Belgo C. P. pf	....	10	..	..	..
119	119	8	6.7	Bell Telephone*	217	119	119	119	119
x4½	2	.	...	Biltmore Hats	....	2	..	..	..
x65	45	7	..	Do. pref.	....	45	..	..	..
4	4	.	...	Bissell, T. E.	....	4	..	..	..
‡97	88	.	...	Do. pref.	....	..	..	..	..
8	6¾	.	...	Blue Ribbon	25	7	7	6¾	6¾
25	24	2	8.3	Do. pref.	....	24	..	..	..
17½	17½	2	11.4	Brant. Cd. pf.	....	17½	..	..	..
13⅞	10⅞	1	...	Brazilian Tr.	5810	12⅝	13⅜	12	12⅝
x¾	⅜	.	...	Brew. & Distil.	....	⅜	..	..	..
⅜	⅜	.	...	Brewing Corp.	....	⅜	..	..	..
3½	3	.	...	Do. pref.	85	3	3½	3½	3½
10⅞	9⅞	80c	7.5	Brit. Amer. Oil	4116	10⅜	10⅝	10½	10½
1½	1	.	...	B.C. Packers	90	1½	1½	1½	1½
6½	4½	.	...	Do. pref.	35	4½	6½	5½	6½
26	24	2	8.3	B.C. Power*	147	26	24	24	24
5¾	5¾	.	...	Do. (B)	....	5¾	..	..	..
x8	4½	.	...	Bruck S. Mills*	....	4½	..	..	..
20	17	2	10	Building Prod.	10	17½	20	20	20
32	30	3	9.4	Burt, F. N.	10	31	32	32	32
x146	137	6	4.4	Calgary Pr.*	....	137	..	..	..
3	2¼	.	...	Can. Bread	....	2¼	..	..	..
85	82	7	8.2	Do. pref. A.	16	95	85	82	85
25	25	2	8	Do. pref. B.	....	25	..	..	..
9	7½	1	11.1	Canada Bud	350	9	9	8	8¾
7	5½	.	...	Can. Cement*	1123	6½	6¾	6½	6¾
66	61	6.50	10.2	Do. pref.	205	65	66	63½	63½
b13½	10	1.20	9.6	Canada Dry	1502	12	12½	11⅛	11⅞
x12	10	.	...	Can. Forg. A*	....	10	..	..	..
‡16	5	.	...	Do. (B)	....	..	..	..	..
x68	60	3	5	Canada Iron	....	60	..	..	..
x80	75	6	7.5	Do. pref.	....	80	..	..	..
x650	630	20	...	Canada Life	....	630	..	..	..
12¾	11½	1.50	11.9	Can. Malting	70	12	12¾	12	12¾
x25½	15	80c	4.1	Can. Nor. Pr.*	....	19½	..	..	..
x107	104	7	6.6	Do. pref*	....	106	..	..	..
x6	⅜	.	...	Can. Paving	....	⅜	..	..	..
x51	10½	.	...	Do. pref.	....	10½	..	..	..
186	185	12	6.5	Can. Perman.*	24	190	186	185	185
1	1	.	...	Can. Pr. & Pa.	....	1	..	..	..
x9	3	.	...	Can. Steamsh's	....	3	..	..	..
9	9	.	...	Do. pref. *	5	9	9	9	9
16	14	1.60	10	Can. Vinegar	165	15	16	15	16
55	55	4	7.3	Can. W. Cable*	105	61	55	55	55
18	18	.	...	Do. (B)*	150	20½	18	18	18
x16	9¾	.	...	Can. Bakeries	....	9¾	..	..	..
x35	31	.	...	Do. pref.	....	31	..	..	..
191	191	12	6.3	Can. Bk. Com.*	15	191	191	191	191
x36½	19	1.25	6.6	Can. Bronze*	....	19	..	..	..
102	102	7	6.9	Do. pref.*	....	102	..	..	..
x13½	8	20c	2.5	Can. Canners*	....	8	..	..	..
80	80	6	7.5	Do. 1st pf.*	....	80	..	..	..
x14	8⅞	68c	7.5	Do. 2nd pf.*	....	9	..	..	..
7½	6⅝	1	14	Can. C. & Fdy*	343	7⅛	7½	7	7⅛
16	15	1.75	11.1	Do. pref.*	380	15½	15⅞	15	15
x14½	6	.	...	Can. Celanese*	....	6½	..	..	..
x73½	59	7	10.8	Do. pref.*	....	65	..	..	..
x58	30	2	6.7	Can. Convert.*	....	30	..	..	..
‡50	45	.	...	Can. Cottons*	....	..	..	..	..
60	60	6	10	Do. pref.	95	60	60	60	60
13½	12⅜	.	...	Can. Dredge	135	13	13	12⅜	12⅜
x92	92	7	7.6	Do. pref.	....	92	..	..	..
68	68	6	8.8	Can. Fairb.	....	68	..	..	..
x6	5¾	.	...	Can. For. Inv.	....	6	..	..	..
x80	70	8	10.4	Do. pref. *	....	77	..	..	..
x300	200	4	2	Can. Gen. Elec.	....	200	..	..	..
58	54½	3.50	6.2	Do. pref.	37	55½	56½	55	56½
66	66	6	9.1	Can. Hy E. pf.*	....	66	..	..	..
1½	1½	.	...	Can. Ind. Alc.	530	1½	1½	1½	1½
.80	.75	.	...	Do. (B)	50	.75	.75	.75	.75
x5.00	3.95	.	...	Can. Int. I. Tr.	....	3.95	..	..	..
x70	64½	5	7.7	Do. pref.*	....	65	..	..	..
x42	15	1	...	Can. Lt. & Pr.*	....	25	..	..	..
x18	1	.	...	Can. Locomo.	....	1	..	..	..
x25	5	.	...	Do. pref.	....	5	..	..	..
b1⅛	¾	.	...	Can. Marconi	5400	1⅛	1⅛	1	1
10½	10	1	10	Canadian Oil	10	10	10	10	10
x120	95½	8	8	Do. pref.	....	100	..	..	..
18½	13½	1.25	..	Can. Pacific	5372	17	18½	16½	17½
x6½	5	.	...	C. Pr. & P. Inv	....	5	..	..	..
2½	2½	.	...	Can. Vickers	10	2	2½	2½	2½
20½	20½	.	...	Do. pref.	....	20½	..	..	..
2½	2	20c	8.9	Can. Wineries	....	2½	..	..	..
x16	16	1	14.3	Can. Wire Box	....	7	..	..	..
12	12	.	...	Catelli Mac A*	500	12	12	12	12
x5	5	.	...	Do. (B)	....	5	..	..	..
x301	290	12+2	4.7	Cent. Can. L'n*	....	300	..	..	..
2.05	1.75	10c	...	Chem. Research	3575	1.80	1.90	1.75	1.80
7.25	6.00	30c(c)	...	Cities Service	....	7.25	..	..	..
5⅛	4½	.	...	Cockshutt Plow	1335	5	5⅛	4½	5
x9	3	.	...	Comm. Alcohol	....	4	..	..	..
3⅜	3	.	...	Conduits	....	3	..	..	..
x94	84	7	7.8	Do. pref.	....	90	..	..	..
8	7½	1	13.3	Cons. Bakeries	48	7⅜	7½	7⅜	7½
1	1	.	...	Cons. Food Pr.	....	1	..	..	..
x6	3	.	...	Do. (A)	....	3	..	..	..
5	4	.	...	Cons. Indust.	20	4½	5	5	5
x5	5	.	...	Cons. Paper	....	5	..	..	..
15	15	.	...	Cons. Press	....	15	..	..	..
x80	50	7	14	Cons. Sand. pf.	....	50	..	..	..
72	66	2.50†	3.6	Cons. Smelt.	1197	70½	71½	68	69
166	160	10	6.2	Consumers Gas	190	165	165	160	160
‡35	30	.	...	Cooksville Co.	....	..	..	..	..
‡85	85	4	...	Do. pref.	....	..	..	..	..
x20½	15	.	...	Corpor. Steel*	....	15	..	..	..
‡90	90	.	...	Corr. P. Box pf	....	..	..	..	..
3½	3½	.	...	Cosgrave Br.	895	3½	3½	3½	3½
5	3½	.	...	Cosmos Imp.	60	3½	5	4½	4½
68	68	7	10.3	Do. pref.	1	65	68	68	68
3	3	.	...	Crown Dom. Oil	....	3	..	..	..
13	13	3	...	Crow's N. Coal	25	10½	13	13	13
x5	3	.	...	David & Fre. B	....	3	..	..	..
x12½	12½	.	...	De Havilland	....	12½	..	..	..
x9	5	.	...	Disher Steel	....	5	..	..	..
x10	10	1.50	15	Do. pref.	....	10	..	..	..
6¼	5¼	1	16	Distill-Seagram	380	6¼	6¼	6	6¼
194	194	12	6.2	Dominion Bk.*	2	194	194	194	194
27	27	2.50	9.2	Dom. Bridge*	165	27	27	27	27
x40	40	.	...	Dom. Coal*	....	40	..	..	..
22½	22	.	...	Dom. Engin.*	....	22½	..	..	..
‡14	10	.	...	Dom. Found.	....	..	..	..	..
x126	82	5	6.1	Dom. Glass*	....	82	..	..	..
112	112	7	6.2	Do. pref.	....	112	..	..	..
4	3	40c	13.3	Dom. Motors	165	4	3	3	3
7½	5	.	...	Dom. Pr. Stubs	....	5½	..	..	..
x24	24	.	...	Dom. Steel, pf.	....	24	..	..	..
2½	2	.	...	Dom. St. & CB	2313	2	2	2	2
18	16½	1.20+30c	8.6	Dom. Stores	443	18	18	17½	18
x14	5	.	...	Dom. Tar & C.*	....	5½	..	..	..
x95	79½	6.50	8.2	Do. pref.*	....	79½	..	..	..
63½	63½	5	7.9	Dom. Textile*	....	63½	..	..	..
x123	120	7	5.8	Do. pref.	....	120	..	..	..
x12	10	.	...	Donnacona*	....	10	..	..	..
2	1½	.	...	Dryden Pap.*	255	1½	1½	1½	1½
4	4	.	...	Duff. Paving	....	4	..	..	..
x80	68	7	10.3	Do. pref.	....	68	..	..	..
x25½	16	1	5	East. Dairies*	....	20	..	..	..
x20	16	50c	...	East. Steel*	....	16	..	..	..
x100	97	7	7.1	Do. pref.*	....	98	..	..	..
‡25	18	.	...	East Koot. Pr.	....	16	..	..	..
x97	94½	7	...	Do. pref.	....	96	..	..	..
‡34	28½	2	...	East. Theatres	....	..	..	..	..
‡85	80	7	...	Do. pref.	....	..	..	..	..
x3½	3½	.	...	Easy Washer	....	3½	..	..	..
x37	34½	1.75	4.7	Economic Inv.*	....	37	..	..	..
x15	15	.	...	Edmonton D'y	....	15	..	..	..
x80	78⅜	6.50	8.3	Do. pref.	....	78⅜	..	..	..
x8	5	.	...	Enam. & Heat*	....	5	..	..	..
19	19	3	15.8	Eng. Electric	135	20	19	19	19
2½	2½	.	...	Do. (B)	15	2½	2½	2½	2½
x39½	16	2	11.1	Fam. Players	....	18	..	..	..
x33½	18	2	11.1	Do. Vot. Tr.	....	18	..	..	..
10	10	1	10	Fanny Farmer	....	10	..	..	..
29	28½	2.40	8.4	Do. pref.	12	29	28½	28½	28½
‡.25	.10	.	...	Federal Distil.	....	..	..	..	..
‡83½	75	.	...	Firstbrook Box	....	..	..	..	..
14	11	.	...	Ford Motors A	2907	13½	14	13	13½
x15	5	.	...	For. Pr. Secs.	....	5	..	..	..
x16½	8x	1	11.1	Foundation Co.	....	9	..	..	..
1¼	1	.	...	Fraser Cos.	125	1	1¼	1	1¼
x8	5	.	...	Frost Steel	....	7	..	..	..
x96½	85	7	8.2	Do. pref.	....	85	..	..	..
2½	2½	.	...	Gen. St. Wares	....	2½	..	..	..
79	75	5	6.7	Goodyear Tire	3	75	75	75	75
88½	80	7	8.2	Do. pref.	2	85	85½	85½	85½
x93½	93½	7	...	Gould Pumps p	....	93½	..	..	..
¾	¾	.	...	Gt. W. Saddlery	150	¾	¾	¾	¾
x8	6	.	...	Do. pref.	....	8	..	..	..
21	21	2	9.5	Gurd. Chas.*	....	21	..	..	..
5	5	.	...	Gypsum, Lime*	81	5	5	5	5
7	7	.	...	Ham. Bridge*	....	7	..	..	..
x80	63	6.50	10.1	Do. pref.*	....	64	..	..	..
10	10	.	...	Ham. Cot., pf.	25	10	10	10	10
4½	1	.	...	Ham. U. Theat	....	1	..	..	..
x63	55	7	11.7	Do. pref.	....	60	..	..	..
4	3½	.	...	Hayes Wheel	25	4	3½	3½	3½
‡95	80	.	...	Do. pref.	....	..	..	..	..
‡50	50	.	...	Hillcrest Coll.	....	..	..	..	..
‡91	91	.	...	Do. pref.*	....	..	..	..	..
1	1	.	...	Hinde & Dauch	....	1	..	..	..
x75	75	.	...	Holt Renfrew	....	75	..	..	..
‡96½	90	7	...	Do. pref.	....	..	..	..	..
3	3	.	...	Honey Dew	....	3	..	..	..
40	38	7	...	Do. pref.	41	40	40	38	40
3¾	3	.	...	H. Smith Pap.	10	3	3½	3½	3½
27	27	.	...	Do. pref.	....	27	..	..	..
x22	15	2.40	11.1	Humberstone S	....	21½	..	..	..
x23½	17	1.40	8.2	Hunt (A)	....	17	..	..	..
x23½	18½	1.40	7.6	Do. (B)	....	18½	..	..	..

Range 1932 High	Low	Divd. Rate in $	Yield in % Jan. 23		Sales	Close Jan. 18 (or last)	Week Ending —Jan. 25— High	Low	Close
x150	143	8	5.5	Huron & E. M*	....	144	..	..	..
x29½	28	.	...	Do. 20% pd*	....	28	..	..	..
9½	8¼	.	...	Hydro Electric	275	8	9½	8¼	9
193	193	12	6.2	Imperial Bank*	....	193	..	..	..
10½	9½	50+50c	9.5	Imperial Oil	5323	10½	10⅝	10	10½
9	7½	35c	4.4	Imperial Tob.	5172	8	8	7½	8
x80	80	8	...	Inter. Coal, p.	....	80	..	..	..
x29	9½	2a	...	Int. Hld. E. A	....	9½	..	..	..
96	96	7	7.3	Inter. Mill. pf.	....	96	..	..	..
x80	80	6	7.5	Do. Series. A	....	80	..	..	..
11	8⅞	20c	2.1	Inter. Nickel	8211	10	10⅛	9⅞	9⅞
4	4	.	...	Inter. Paints	....	4	..	..	..
b2½	1⅞	.	...	Int. Pa. & Pr A	400	2½	2¼	2¼	2¼
b1	1	.	...	Do. (B)	....	1	..	..	..
b⅞	⅞	.	...	Do. (C)	1700	⅞	..	..	..
b11	7½	.	...	Do. pref.	2900	10	9⅞	8⅞	9
11⅛	10½	1	8.7	Inter. Pete.	2550	11¼	11⅛	11⅛	11⅛
x8	5	.	...	Inter. Power*	....	5	..	..	..
x73	56½	.	...	Do. pref.*	....	57	..	..	..
8	7	.	...	Int. Util. (A)	15	7½	7½	7½	7½
3	2	.	...	Do. (B)	90	3	3	3	3
x40	40	1	2.5	Jam. Pub. Ser*	....	40	..	..	..
x109	99½	7	7	Do. pref.*	....	100	..	..	..
x5¼	2½	.	...	Kelvinator	....	3	..	..	..
x90½	73½	7	7.8	Do. pref.	....	90	..	..	..
7	6¾	.	...	Lake of Woods	5	7	7	7	7
x101	82	.	...	Do. pref.	....	85	..	..	..
x140	140	8	5.7	Landed Bank.*	....	140	..	..	..
38	37	3	7.9	Laura Secord	5	37	38	38	38
8	8	1	12.5	Lindsay, C. W.	35	10	8	8	8
60	60	6.50	10.8	Do. pref.	....	60	..	..	..
10¾	10	80c	7.4	Loblaw (A)	295	10½	10¾	10½	10¾
10¾	10	80c	8	Do. (B)	152	10½	10½	10	10
‡2¾	2¾	.	...	Loew's, London	....	..	..	..	..
x25	10	.	...	MacKin. Steel	....	20	..	..	..
x95	90	7	7.7	Do. pref.	....	91	..	..	..
‡36	20	.	...	Manitoba Pr.	....	..	..	..	..
x10½	4⅜	.	...	Maple Leaf	....	4⅜	..	..	..
20½	18	.	...	Do. pref.	15	20½	18	18	18
x38	30	.	...	Marcus Loew's	....	38	..	..	..
x73	70	.	...	Do. pref.	....	73	..	..	..
4½	3	.	...	Massey-Harris	1625	4	4	3⅜	3⅜
10½	9⅞	60c	6	McColl Fron.	1723	10½	10½	9⅞	10
x80	69½	6	7.9	Do. pref.	....	76	..	..	..
x45	35	.	...	Mexican L & P	....	35	..	..	..
‡25	25	.	...	Mercury Mills.	....	..	..	..	..
‡89	58½	.	...	Do. pref.	....	..	..	..	..
x40½	40	2	5	Mitchell, J. S.*	....	40	..	..	..
x105	104	7	6.7	Do. pref.	....	..	..	..	..
8	8	1	12.5	Mitchell, Robt*	5	8	8	8	8
x1	1	.	...	Monarch Knit.	....	1	..	..	..
30	30	.	...	Do. pref.	10	38	30	30	30
x95½	83½	6	6.5	Montreal Cot.*	....	92	..	..	..
x102	98	7	7	Do. pref.*	....	100	..	..	..
x3½	2	.	...	Montreal Exhib	....	2½	..	..	..
x20	14	.	...	Mont. Is. Pr.	....	14	..	..	..
38	36	1.50	4.2	Mont L & P*	16375	38	38	36	36
x49½	48	3+25	6.8	Montreal Loan	....	48	..	..	..
47	44½	3.20	7.2	Montreal Tele.	....	44½	..	..	..
150	150	10	6.7	Mont. Trams.	....	150	..	..	..
10	9	1	10	Moore Corp. c.	23	10	10	9½	10
x108½	95	7	7.2	Do. (A)	....	97½	..	..	..
97	95	7	7.4	Do. (B)	....	95	..	..	..
‡10	10	.	...	Mt. Royal Hot.	....	..	..	..	..
‡49	49	1	...	Do. pref.	....	..	..	..	..
2	2	10c	...	Muirheads	....	2	..	..	..
x10	6	75c	8.3	Do. pref.	....	9	..	..	..
24	24	1.60	6.7	Nat. Brew.*	....	24	..	..	..
x35	27	1.75	5.6	Do. pref.*	....	31	..	..	..
‡10	3	.	...	Nat. Brick	....	..	..	..	..
x19	5	.	...	Do. pref.	....	5	..	..	..
x.50	.25	.	...	Nat. Distiller.	....	.40	..	..	..
12½	10	2	20	Nat. Steel Car*	300	10	10	10	10
250	250	14	5.6	National Tr.*	....	250	..	..	..
10	10	1	10	Niag. W. Weav.	....	10	..	..	..
x36	32	3	9.4	Do. pref.	....	32	..	..	..
2.50	2.50	.	...	North Star Oil	....	2.50	..	..	..
x4.95	4.00	35c	8.2	Do. pref.	....	4.25	..	..	..
‡25	22½	.	...	N.S. Steel, pf.	....	..	..	..	..
x285	125	8	4.3	Ogilvie Flour*	....	185	..	..	..
x130	116½	7	6	Do. pref.	....	117	..	..	..
7½	7	60c	8.6	Ont. Eq. 10% p	25	7	7	7	7
x120	113	6	5.1	Ontario Loan*	....	117	..	..	..
x7	5	.	...	Ont. Silknit	....	7	..	..	..
x16	13	.	...	Ont. Steel*	....	13	..	..	..
‡105	105	7	...	Do. pref.*	....	..	..	..	..
x1½	¾	.	...	Orange Crush	....	¾	..	..	..
45	44	7	15.6	Do. (A)	5	45	44	44	44
x5½	1	.	...	Do. (B)	....	1	..	..	..
x110	90	6	5.7	Ott. L H & P*	....	105	..	..	..
x105½	102	6.50	6.3	Do. pref.*	....	103	..	..	..
x25	25	.	...	Ott. Traction	....	25	..	..	..
68	63	5	7.8	Page Hersey	78	65	64	63	63
x49	21½	2.50	...	Paramount	....	21½	..	..	..
x35	30	.	...	Paton Mfg.	....	30	..	..	..
x94	82	7	7.4	Do. pref.	....	94	..	..	..
x½	¼	.	...	Pelissiers	....	¼	..	..	..
x30	25	.	...	Do. pref.	....	30	..	..	..
x73	31	.	...	Penmans*	....	33	..	..	..
x101	93	6	6.2	Do. pref.	....	97	..	..	..
x.75	.50	.	...	Perfec. Glass	....	.50	..	..	..
x29	16½	2	12.1	Photo Eng.	....	16½	..	..	..
x40	10	.	...	Port Alfred, pf.	....	10	..	..	..
x70	64	7	10	Porto Rico P. p	....	70	..	..	..
xb39½	4	.	...	Postal Tele.	....	..	..	..	..
36½	36½	2	5.8	Power Corp.*	....	36½	..	..	..
90	90	6	6.7	Do. pref.*	....	90	..	..	..
2	2	.	...	Prairie C. Oil.	....	2	..	..	..
7¾	7½	25c	...	Pressed Metals	....	7¾	..	..	..
x42½	25	.	...	Price Bros.*	....	25	..	..	..
x99	70	6.50	9.3	Do. pref.*	....	70	..	..	..
29	29	2	6.9	Quebec Power*	50	29	29	29	29
x110	105	7	6.7	Real Estate L*	....	105	..	..	..
2	1	.	...	Regent Knit.	8	2	1½	1	1
x10	5½	.	...	Reliance Grain	....	9	..	..	..
10½	10	2	19	River S. Mills.	10	10	10½	10½	10½
12	12	1.50	12.5	Robinson Cone	....	12	..	..	..
x16½	9	.	...	Rogers Majest.	....	9	..	..	..
x291	231	12	5.2	Royal Bank*	....	231	..	..	..
x84	75	.	...	Ruddy, E. L. p	....	75	..	..	..
x77½	32	2	5.7	Russell Motor	....	35	..	..	..
70	70	7	10	Do. pref.	....	70	..	..	..
x7	7	.	...	Sarnia Br. (A)	....	7	..	..	..
‡12	5	.	...	Do. (B)	....	..	..	..	..
7	5	.	...	Serv. Station	597	7	7	6	6
46	45	6	13	Do. pref.	50	45	46	46	46
33	33	2	6.1	Shawinigan*	92	33	33	33	33
20	17	1.60	9.1	Sher.-Wms.	55	19	18	17	17
121	112	7	6.1	Do. pref.	....	115	..	..	..
x22	14	2.50	14.7	Simon & Son*	....	17	..	..	..
x92	88½	7	7.7	Do. pref.*	....	91	..	..	..
55½	50	6.50	13	Simpsons Ltd.	5	50	50	50	50
x44½	36	.	...	Do. (A)	....	36	..	..	..
x35½	24½	.	...	Do. (B)	....	29	..	..	..
x108	100	6	5.8	Simpson, Robt.	....	103	..	..	..
1.00	.75	.	...	St. Law. Corp.	10	.80	.80	.80	.80
3½	2⅞	.	...	Do. (A)	95	3½	3½	2¾	3
x20	16	.	...	St. Law. Flour	....	16½	..	..	..
x85	82	7	8.2	Do. pref.	....	85	..	..	..
11	9	.	...	St. Law. Pap. p	182	10	10½	9	9
x30	4	.	...	St. Maur. V. p	....	4	..	..	..
25	25	1	4	So. Can. Pr.*	....	25	..	..	..
x106½	104	6	5.7	Do. pref.*	....	105¾	..	..	..
3	2⅞	.	...	St. Pav. & Mat	170	3	3	2¾	3
x80	55	7	11.7	Do. pref.	....	60	..	..	..
x1	1	.	...	Stanfords	....	..	..	..	..
4	4	1	...	Stand. Chem.	25	4	4	4	4
2½	2	.	...	Stand. Steel	....	2	..	..	..
x35	30	3	10	Do. pref.	....	30	..	..	..
22	20	1.75	8	Steel of Can.*	1018	22	22	20½	21
29	28	1.75	6.2	Do. pref.	175	28¾	28¾	28	28
⅛	⅛	.	...	Sterling Coal	....	..	..	..	..
18½	16⅝	1	5.5	Super. Pet. ord.	230	18	18½	18	18
98	95	7	7.1	Do. pref.	11	95	98	95	98
x31	14	1	6.7	Do. com.	....	15	..	..	..
x49	41	.	...	Tamblyn	....	49	..	..	..
x106	95	7	7.1	Do. pref.	....	98	..	..	..
x30	17	3.50	18.4	Thayers, pref.	....	19	..	..	..
x13	6½	.	...	Tip Top Tailors	....	7	..	..	..
x90	77	7	8.4	Do. pref.	....	83	..	..	..
x22	10	.	...	Tooke Bros.	....	10	..	..	..
x67	48½	.	...	Do. pref.	....	48½	..	..	..
12	11	.	...	Tor. Elevators	....	11	..	..	..
x235	210	12	5.6	Tor. Gen. Tr.*	....	215	..	..	..
x115	108	6	5.4	Toronto Mtge.*	....	110	..	..	..
x3	1	.	...	Traymore	....	1½	..	..	..
x12½	7	.	...	Do. pref.	....	7	..	..	..
x130	120	7	5.5	Tuckett Tob. p	....	128	..	..	..
x17½	2½	.	...	Twin City	....	3½	..	..	..
xb62	11½	7	...	Do. pref.	....	..	..	..	..
x45	28	.	...	Do. (notes)	....	35	..	..	..
5	4½	1	21	Union Gas.	50	4½	4¾	4½	4¾
x101½	98	7	7	Union Trust*	....	100½	..	..	..
x8	3	.	...	United Fuel	....	6½	..	..	..
15	15	.	...	Do. pref.	....	15	..	..	..
x62½	40	2	5	United Secs.	....	40	..	..	..
11	10½	.	...	Viau Biscuit	30	10½	11	10½	10½
x85	70	7	10	Do. pref.*	....	70	..	..	..
12	12	.	...	Wabasso Cot.*	20	12	12	12	12
3½	2⅝	25c	8	Walker-Good.	4385	2¾	3½	2¾	3½
3¾	3½	.	...	Waterloo Mfg.	....	3¾	..	..	..
x45	30	1	2.6	Weston Bisc.*	....	38	..	..	..
x90	79	7	8.9	Do. pref.*	....	79	..	..	..
8	8	.	...	West. C. Flour	....	8	..	..	..
x96	70	6.50	9.3	Do. pref.	....	70	..	..	..
x17	10	.	...	West. Grocers	....	10	..	..	..
43	43	7	16.3	Do. pref.	....	43	..	..	..
x91	85	.	...	W. Steel P. p*	....	91	..	..	..
‡9	9	.	...	Whittall Can.	....	..	..	..	..
x13	10	.	...	Windsor Hotel*	....	12	..	..	..
x73	71	6.50	9.1	Do. pref.*	....	71	..	..	..
8	6½	.	...	Winnipeg Elec.	30	7	6½	6½	6½
x81½	49	.	...	Do. pref.*	....	50	..	..	..
x40	36	.	...	Woods Mfg. p*	....	36	..	..	..
x80	80	.	...	Wood, Alex, Jp	....	80	..	..	..
‡2½	1½	.	...	Zimmerknit	....	..	..	..	..
x7	7	.	...	Do. pref.	....	..	..	..	..

x Quotations for 1931. No sales recorded in 1932 to date.
a Or payable in stock.
b New York Quotations.
‡ Quotations for 1930.
c 2½c monthly plus stock dividend of ½ of 1% monthly.
† Plus stock bonus.
* Minimum price is set, below which trading is not permitted for time being. List of minimum prices is given elsewhere.

Winnipeg Stock Exchange

January 22, 1932

	Bid	Ask
Beaver Fire	..	115
Beaver Lumber c.	5½	..
Can. Amer. Tr. sh.	..	4
Can. Fire Ins.	..	85
Can. Indemnity	120	..
Crescent Creamery pfd.	..	87
Gt. West Life	375	..
Home Investment	..	50
Monarch Life	25	..
Nor. C. Mtge. pf.	15	..
Nor. C. Mtge. c.	½	..
North. Trust	..	24
Un. Gr. Growers	13	14
West Breweries	..	2
Fund. Tr. shs. 'A'	..	4
Do., "B"	..	4½
Grouped Inc. Shs.	..	4.68

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)

January 26, 1932

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.20	.50
Acadia Sugar pfd.	2.00	2.80
Allens Coll. pfd.	29.00	....
Allens Lond. pfd.	29.00	....
Andian N. Corp.	20.50	25.00
B. C. Pulp & Paper c.	1.50	3.50
B. C. Pulp & Paper 7% pfd.	14.00	....
Can. Biscuit pfd.	....	9.00
Can. & Dom. Sugar c.	16.75	18.75
Can. Machinery c.	5.00	7.50
Can. Machinery 7% pfd.	20.00	30.00
Can. Packers c.	11.50	14.00
Can. Packers 7% pfd.	78.00	83.00
Can. Starch pfd.	69.00	....
Can. Tea pfd.	56.00	....
Can. Wire & Cable pfd. W.W.	84.00	90.00
Can. Celanese pfd.	50.00	....
Can. Indus. c. 'A'	78.00	....
Can. Indus. c. 'B'	78.00	85.00
Can. Indus. 7% pfd.	108.00	113.50
Can. West'house	50.00	56.00
Chase, A. W. Units	30.00	37.00
Cons. Oka Sand & Gravel pfd.	51.00	....
Copeland Flour 6% pfd.	....	10.00
Dairy Corp. pfd.	....	53.00
Dodge Mfg. "A" pfd.	6.50	....
Dodge Mfg. "B" com.	.50	....
Dom. Foundries & Steel pfd.	54.50	....
Dom. Foundries & Steel com.	5.50	8.00
Dom. Manuf. pfd.	72.00	....
Dunlop Tire 7% pfd.	65.00	80.00
East. Car 6% pf.	44.00	....
Fed. Grain pfd.	22.00	29.00
Goderich Elevator & Transit	14.00	16.25
Greening Wire 7% pfd.	83.00	90.00
Guard. Realty pfd.	35.00	41.00
Guelph Carpet pf.	70.00	....
Harding Carp. pf.	....	54.00
Inter City Baking com.	30.00	41.00
Internat. Prop. 'A'	22.00	24.75
Loew's London c.	.50	2.00
Loew's Lond. pfd.	3.75	5.25
M. & P. Stores pf.	....	94.00
Massey-Harris pf.	10.00	13.00
Morrow Screw Nut 7% pfd.	94.00	98.00
Mount Royal Htl. Scrip	.75	1.50
Mount Royal Htl. com.	1.50	2.50
Mount Royal Htl. 6% pfd.	12.00	....
Nat. Grocers c.	.50	1.50
Nat. Grocers 2nd 7% pfd.	34.00	42.00
Para. Oshawa c.	8.00	11.00
Prov. Paper pfd.	....	65.00
Rolland Paper pfd. W.W.	33.00	....
Standard Clay Products c.	10.00	....
Standard Fuel pfd. bonus	54.00	63.00
Supertest Petrol. "B" pfd.	17.00	....
Toronto Brick pf.	45.00	60.00
Tor. Carpet c.	112.50	....
Tor. Carp. 8% pf.	98.00	....
Tor. Elev. 7% pf.	67.00	75.00
Tor. Housing c.	20.00	30.00
United Amuse. 'A'	14.00	....
West. Grain pfd.	23.00	27.00
Willards choc. pf.	28.00	40.00
Insurance Stocks:		
Br. Amer Assce.	23.00	....
Can. Life Assce.	440.00	500.00
Can. Nat'l Fire	18.00	25.00
Can. Fire Ins.	76.00	83.00
Capital Life 20% pd.	11.00	16.00
Confederation Life 20% pd.	150.00	185.00
Continental Life 20% pd.	62.00	76.00
Crown Life	90.00	140.00
Dominion Fire	95.00	120.00
Dom. of Can. Gen. Ins.	195.00	210.00
Dominion Life 50% pd.	250.00	350.00
Excelsior Life 30% pd.	100.00	125.00
Fidelity Insur. of Canada	....	72.00
Great West Life	340.00	375.00
Guarantee Co. of N. A.	240.00	....
Halifax Fire	10.00	15.00
Imperial Life	275.00	330.00
Manufac. Life	270.00	305.00
Monarch Life 10% pd.	19.00	29.00
National Life 25% pd.	112.00	124.00
Saskatchewan Life 10% pd.	10.00	15.00
Sovereign Life 25% pd.	25.00	30.00
Sun Life Assur.	420.00	520.00
West. Assur. Co.	23.00	28.00
Western Life 20% pd.	7.50	....
Trust & Loan Stocks:		
Brit. Mtge. & T.	159.00	....
Can. Gen. Invest. Ltd.	4.75	6.25
Chartered Trust	93.00	100.00
Debenture & Sec. com.	....	35.00
Debenture & Sec. pfd.	....	48.00
Eastern Can. Sav. & Loan	120.00	135.00
Eastern Trust	120.00	145.00
Guelph & Ont. Inv. par $50	50.00	57.00
Investment Found. Units	18.00	26.00
Lambton Loan & Savings	74.00	....
London & West. Trust	97.00	107.00
Midland Loan & Savings	17.00	....
Mtge. Disct. pfd.	3.75	4.50
Mutual Fin. pfd.	3.25	5.00
Mutual Fin. com.	3.25	5.00
Premier Trust	70.00	....
Security Loan & Savings	100.00	....
Sherbrooke Tr.	108.00	....
Sterling Trust	....	90.00
Trad. Finance pf.	33.00	40.00
Trad. Finance c.	....	4.00
Trusts & Guar.	....	72.00
Victoria Trust & Savings	165.00	....
Waterloo Trust & Savings	117.00	132.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	92.00	96.00
Calgary Pwr. pfd.	65.00	72.00
Can. Light & Power c.	20.00	26.00
Can. West. Nat. Gas LH&P c.	21.00	....
Can. West. Nat. Gas LH&P pfd.	66.00	72.50
Great Lakes Pwr. pfd.	....	85.00
N.B. Pwr. 1st pf.	42.00	57.00
N.B. Tel. c.	9.00	12.00
N.S. L&P pfd.	70.00	80.00
Ottawa LH&P 6½% pfd.	93.00	103.00

Recent London Quotations:

Brewer Distillers	2s. 6d.
Can. & For. Sec.	7s. 6d.
Can. West. Lumber	1s. 6d.
Hudson's Bay	18s. 9d.
Do., 5% pfd.	52s. 6d.
Internat. Holdings	$1-3/16
Nfld. Pr. & Pap. deb. stk.	85
Trust & Loan of Can. (15s. pd.)	5s.

Listed Bond Quotations

Week Ending January 25

Montreal	Int. Rate	Due	Yield	Latest Ask	High	Low	Range 1932 High	Low
Abitibi, 1st mtge.	5	1953	...	†32	39½	...	39½	34½
Asbestos	5	1942	10.55	†65	65¼	...	65¼	...
Asbestos, 1st mtge.	6	1941	...	†14	...	...	x20	14
Do., gen. mtge.	6	1956	...	14	...	...	x9	...
Can. Cons. Rub.	6	1946	...	...	...	...	x69¾	...
Can. Cottons	5	1940	6.48	...	...	...	x91	90
Can. Forgings	6	1942	6.00	...	...	...	x100	...
Can. Locomotive	6	1951	...	...	...	...	‡96	...
Can. Pr. (La. Ser.)	5½	1958	...	10	...	...	x28½	5
Do. (Way. Ser.)	5½	1958	...	...	...	...	x28½	5½
Can. S. S. deb.	5	1943	...	...	...	...	‡98¼	...
Cedars Rapids	5	1953	4.92	†99½	...	...	x105	102
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dom. Coal	5	1940	5.29	...	...	...	x98½	98
McNish	6	1948	...	2.00	...	...	x3.25	2.25
Mex. L. & Pr.	5	1940	10.05	...	...	...	x73¾	70½
Mont. L. H. & P.	4½	1932	...	...	...	...	‡100	98⅜
Mont. Tr. 1st mtge.	5	1941	5.83	...	...	...	x101½	90½
Mont. Tr. "A"	5	1955	6.79	†79½	79½	79	79½	79
Mont. Tr. G. & R. "B"	5	1955	6.75	†79½	...	...	79¾	78¾
Do., "C"	4½	1955	5.64	...	...	...	x85	84
Do., "D"	5	1955	6.85	†79½	...	...	78½	78
N. S. Steel	5	1959	...	...	...	...	x62⅝	59
Ogilvie Flour "A"	6	1932	6.00	†100	100	...	100	...
Do., "B"	6	1932	...	†100	...	...	‡100⅜	100
Do., "C"	6	1932	6.00	†100	100	...	100	...
Ont. Steel	6	1943	5.94	†100½	...	...	100½	...
Porto R. Pr.	5	1936	7.95	...	...	...	x93	88
Steel of Can.	6	1940	4.98	†102½	...	...	x107½	106⅞
Wayagamack	6	1951	...	41	...	...	x75	45
Winn. Elec.	5	1935	5.12	91	...	...	x99½	98¾
Toronto								
Canada Bread	6	1941	6.00	†80	...	...	x101½	100
Steel of Can.	6	1940	5.12	...	...	...	x106½	...
Dominion Govt. Bonds (Montreal)								
War Loan	5	1937	3.71	106.00	....	....	105½	....
Victory Loan	5½	1933	5.05	100.70	....	....	100¼	....
Do.	5½	1934	5.71	99.75	99.65	99.35	99¾	99¼
Do.	5½	1937	4.60	104.75	104.35	....	104¾	104
Do., refund	4½	1940	5.62	92.00	92.50	....	92½	....
Do., refund	5	1943	5.53	96.00	....	....	97	95¾
Do., refund	4½	1944	5.55	91.00	....	....	x102½	92½
Do., refund	4½	1946	5.50	90.25	....	....	x102½	89
Do., renewal	5½	1932	5.16	....	....	....	99⅜	....
Conversion Loan	4½	1956	5.38	88.00	....	....	88½	88¼
Do.	4½	1957	5.44	88.25	....	....	x102¾	92½
Do.	4½	1958	5.40	89.25	....	....	x104⅜	88⅜
Do.	4½	1959	5.44	89.25	90.00	89.25	90	89
Nat. Service Loan	5	1936	5.87	96.50	....	....	97½	96½
Do.	5	1941	5.66	95.00	96.00	95.00	97⅛	95

†Latest bid.
‡Quotations for 1930. x—For 1931. None recorded in 1932 to date.

Active Provincial & Municipal Bonds

Quotations furnished by A. E. Ames & Co., Limited, Canada Permanent Bldg., Toronto, Ont.
January 24, 1932

Provinces	Rate	Actual Maturity	Next Int. Date	Approx. Price	Approx. Yield %
Alberta	4½	1 Oct., 1958	1 April	78.95	6.10
Alberta	5	1 July, 1943	1 July	91.00	6.10
Alberta	6	1 Apr., 1936	1 April	99.40	6.15
British Columbia	4½	1 Oct., 1953	1 April	82.85	5.90
British Columbia	5	15 Jan., 1948	15 July	90.75	5.90
British Columbia	6	15 Aug., 1941	15 Feb.	100.00	6.00
Manitoba	4	1 July, 1947	1 July	79.55	6.05
Manitoba	5	2 Dec., 1959	2 June	86.60	6.00
Manitoba	5	15 June, 1943	15 June	91.40	6.05
New Brunswick	4	1 June, 1948	1 June	84.35	5.45
New Brunswick	4¾	15 June, 1936	15 June	97.25	5.45
New Brunswick	6	1 Jan., 1936	1 July	101.75	5.50
Nova Scotia	4½	15 Nov., 1948	15 May	89.55	5.45
Nova Scotia	5	1 May, 1943	1 May	96.20	5.45
Nova Scotia	6	1 Nov., 1936	1 May	102.15	5.50
Ontario	4½	1 Sept., 1944	1 Mar.	93.00	5.25
Ontario	5	15 Oct., 1948	15 Apr.	94.50	5.50
Ontario	6	2 May, 1936	2 May	100.50	5.85
P. E. I.	4	1 Apr., 1939	1 Apr.	90.30	5.60
P. E. I.	4½	1 Oct., 1944	1 Apr.	89.95	5.60
Quebec	4½	1 May, 1961	1 May	86.42	5.15
Saskatchewan	4½	1 Oct., 1944	1 Apr.	84.58	6.25
Saskatchewan	5	1 Oct., 1950	1 Apr.	86.20	6.25
Saskatchewan	6	1 Feb., 1936	1 Feb.	98.65	6.35
Cities					
Montreal	5	1 Sept., 1963	1 Mar.	91.10	5.60
Toronto	4½	1 Jan., 1955	1 July	85.85	5.60
Vancouver	5	15 Jan., 1970	15 July	84.45	6.05
Winnipeg	5	1 Mar., 1944	1 Mar.	90.50	6.10
Edmonton	5½	1 Apr., 1947	1 Apr.	88.65	6.80
Calgary	5	1 Jan., 1943	1 July	86.20	6.80
Halifax	6	1 July, 1951	1 July	100.00	6.00
Saint John	5	15 Dec., 1950	15 June	88.75	6.00
Regina	4½	1 July, 1950	1 July	76.00	6.80
Victoria	5	21 July, 1945	21 Jan.	89.75	6.10
Quebec	5	1 June, 1948	1 June	98.85	5.15

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange, Basis Buffalo
Week to January 26

High †to date	Low	Wheat	Close Jan. 19	High for week	Low for week	Close Jan. 26
.72	.53¾	May	.58¼	.58¼	.57½	.57½
.60⅜	.53¾	July	.59½	.59⅞	.58½	.58⅜

†Since trading opened March 3, 1931.

Active Current Bond Prices

January 25, 1932

	Bid	Asked	Yield
Dominion of Canada 5½/33	100.	102.	[illegible]
Dominion of Canada 5½/34	99.	101.	[illegible]
Dominion of Canada 5/43	95.	97.	[illegible]
Dominion of Canada 4½/46	89.	93.	[illegible]
Dominion of Canada 4½/56	87.	91.	[illegible]
Dominion of Canada 4½/58	89.	93.	[illegible]
C. N. R. (Dom. of Can. Guar.) 5/54	92.	95.	[illegible]
C. N. R. (Dom. of Can. Guar.) 4½/51	88.	90.	[illegible]
C. N. R. (Dom. of Can. Guar.) 4½/55	90.	92.	[illegible]
C. N. R. (Dom. of Can. Guar.) 4½/56	88.	90.	[illegible]
C. N. R. (Dom. of Can. Guar.) 5/69	95.	97.	[illegible]
Province of Ontario 4½/44	91.	93.	[illegible]
Province of Ontario 5/48	91.50	93.	[illegible]
Province of Ontario (Hydro) 4½/70	86.	88.	[illegible]
Province of Quebec 4½/56	90.	93.	[illegible]
Abitibi Power & Paper 5/53	42.	46.	[illegible]
Argentine Gov't. (Ser. B) 6/58	53.	54.50	[illegible]
Beauharnois Power 6/59	60.	65.	...
Bell Telephone Co. of Canada 1st, 5/57	102.	105.	[illegible]
Brazil, U. S. of, Ext. S. F. 6½/57	21.50	23.	[illegible]
British Columbia Power 5/60	79.	83.	...
British Columbia Power 5½/60	87.	90.	[illegible]
British Columbia Telephone 5/60	89.	92.	[illegible]
Calgary Power 5/60	78.	83.	[illegible]
Calgary Brewing 5/42	98.	102.	[illegible]
Canada Cement 1st Mtge. S. F. 5½/47	87.	90	[illegible]
Canada Gypsum Lime & Alabastine 5½/48	60.	70.	[illegible]
Canada Northern Power Corp. 5/53	75.	80.	[illegible]
Canada Steamship Lines 1st & Gen. 6/41	37.	45.	[illegible]
C. P. R. Collateral Trust 5/54	86.	90.	...
C. P. R. Secured 4½/44 Notes	78.	84.	[illegible]
Chile Republic Ext. S. F. 6/60	13.50	15.	...
Colombia Republic Ext. S. F. 6/61	27.25	27.50	...
Davies, Wm. 6/42	70.	80.	[illegible]
Dominion Canners 6/40	96.	100.	[illegible]
Dominion Square Corporation 6/48	60.	65.	[illegible]
Dominion Tar & Chemical 6/49	76.	80.	[illegible]
Dominion Textile 6/49	97.	100.	[illegible]
Duke Price Power 1st, 6/66	92.	96.	[illegible]
Eastern Dairies, Ltd., Conv., 6/49	86.	92.	[illegible]
Eaton, T. Realty 5/49	84.	90.	[illegible]
Famous Players 6/48	68.	75.	[illegible]
Federal Grain 6/49	60.	70.	[illegible]
Foreign Power Securities Corp. 6/49	65.	75.	[illegible]
Fraser Companies 6/50	35.	45.	[illegible]
Gatineau Power, 1st Mtge. 5/56	79.	84.	[illegible]
Gatineau Power, S. F. Debs. 6/41	68.	74.	[illegible]
General Steel Wares 6/52	41.	...	...
Howard Smith Paper Mills 5½/53	57.	62.	[illegible]
Harris Abattoir 6/47	75.	85.	[illegible]
Manitoba Power, 1st S. F. 5½/51	60.	70.	[illegible]
Maple Leaf Milling 5½/49	63.	68.	[illegible]
Massey-Harris 1st Mtge. 5/47	64.	72.	[illegible]
MacLaren Quebec Power 5½/61	75.	85.	[illegible]
Montreal Coke, 1st S. F. 5½/47	90.	98.	[illegible]
Montreal Island Power 5½/57	87.	95.	[illegible]
Montreal Light, Heat & Power 5/51	97.	102.	[illegible]
Montreal Tramways 1st Coll. Trust 5/41	92.	98.	[illegible]
Montreal Tramways Gen. Ref. 4½/55	70.	75.	[illegible]
Montreal Tramways 5/55	79.	84.	[illegible]
Moodie, J. R. 6/48	90.	95.	[illegible]
Ogilvie Flour Mills 6/32	99.	101.	[illegible]
Ontario Power Service 5½/50	63.	70.	[illegible]
Ottawa Valley Power 5½/70	89.	95.	[illegible]
Power Corporation of Canada 4½/59	65.	75.	[illegible]
Price Bros. 1st S. F. Ser. "A" 6/43	55.	61.	[illegible]
Quebec Power 1st Mtge. Coll. S. F. 5/68	90.	95.	[illegible]
Shawinigan Water & Power 4½/70	84.	89.	[illegible]
Shawinigan Water & Power 5/70	92.	95.	[illegible]
Simpsons 6/49	78.	85.	[illegible]
Southern Canada Power 1st, 5/55	90.	98.	5.15
United Securities Coll. Trust 5½/52	88.	94.	6.00
West Kootenay Power 5/56	84.	89.	[illegible]
Windsor Hotel 6½/43	90.	100.	[illegible]
Windsor Hotel 6/47	85.	94.	[illegible]
Winnipeg Electric 5/35	90.	100.	[illegible]
Winnipeg Electric 6/54	60.	70.	[illegible]

Stocks With Minimum Prices

Atlantic Sugar, com.	22½
Beauharnois Pr. "A"	3½
Belding-Cort., c.	85
Do., pref.	90
Bell Telephone	119
B. C. Power "A"	24
Bruck Silk Mills	4½
Calgary Power	137
Canada Cement	5
Do., pref.	60
Canada Forgings "A"	10
Can. Nor. Power, c.	19½
Do., pref.	106
Canada Steamships, pfd.	9
Can. Wire & Cable "A"	55
Do., class "B"	18
Can. Bronze	19
Do., pref.	102
Can. Canners, c.	8
Do. 1st pref.	80
Do. convert. pfd.	9
Can. Car & Foundry	6½
Do., pref.	14½
Can. Celanese	6½
Do., pref. 7%	65
Can. Converters	30
Can. Cotton	50
Can. For. Invest. pfd.	75
Can. Hyd.-Elec. pfd.	66
Can. Int. Inv. Tr., pfd.	50
Can. Light & Pr.	25
Catelli Mac., pfd. "A"	12
Corporate Steel	9½
Dominion Bridge	27
Dominion Coal, pfd.	25
Dom. Engineering	18
Dom. Glass, com.	82
Dom. Tar & Chem.	5
Do., pref.	82
Dom. Textile, com.	63½
Donn. Paper	10
East. Dairies	20
East. Steel, com.	15
Do., pref.	97
Enamel & Heat. Prod.	5
Gurd & Co.	21
Gypsum, Lime	5
Hamilton Bridge	7
Do., pref.	64
Hillcrest Coll., pfd.	88
Inter. Power	5
Do., pref. 1st.	57
Jamaica Pub. Ser.	40
Do., pref.	100
Mitchell, J. S.	35
Mitchell, Robt.	8
Montreal Cottons	92
Do., pref.	95
Mont. Light, Heat	36
Nat. Breweries	24
Do., pref.	31
National Steel Car	10
Ogilvie Milling	185
Ont. Steel Products	10
Do., pref.	90
Ottawa L. H. & Pr.	104
Penmans, com.	33
Power Corp.	36
Do., pref.	90
Price Bros.	25
Do., pref.	70
Quebec Power	29
Shawinigan Power	33
Simons & Sons	[illegible]
Do., pref.	[illegible]
Southern Can. Pr.	[illegible]
Do., pref.	[illegible]
Steel Co. of Can.	[illegible]
Viau Biscuit, pfd.	75
Wabasso Cotton	10
West. Steel Pr., pfd.	65
Weston's, com.	38
Do. pref.	75
Windsor Hotel	10
Do., pref.	72
Winnipeg Electric, pref.	50
Woods Mfg., pref.	40
Trust and Loan	
Canada Perman.	185
Centra' Can. Loan	295
Economic Invest.	3
Huron & Erie	[illegible]
Do., 20% paid	[illegible]
Landed Banking	[illegible]
National Trust	[illegible]
Ontario Loan	[illegible]
Real Estate Loan	[illegible]
Tor. Gen. Trusts	210
Tor. Mortgage	106
Union Trust	95
Banks	
Banque Canadienne	156
Bank of Commerce	191
Dominion Bank	194
Imperial Bank	193
Bank of Montreal	225
Bank of N. S.	274
Royal Bank	221
Bank of Toronto	203

Foreign Exchange

	New York Funds High (Premium)	Low	Last Year High (Premium)	Low
January 20	13⅞%	15¼%	11-64	1-8
January 21	17⅜	16⅜	3-16	5-32
January 22	17	16⅞	3-16	5-32
January 23	16¼	16¼	11-64	5-32
January 25	16½	15¾	3-16	5-32
January 26	15⅝	15	11-64	1-8

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
January 20	3.45	3.93 5-16	5.03 3-4
January 21	3.45 7-8	3.93 1-2	5.03
January 22	3.44 1-4	3.93 3-4	5.02 3-4
January 23	3.43 1-2	3.93 3-4	5.03
January 25	3.44 1-2	3.93 3-4	5.02 1-8
January 26	3.46	3.93 5-8	5.01 3-4

FOREIGN EXCHANGE

Par		Jan. 12	Jan. 19	Jan. 26
5.26	Italian	6.00¾	5.84	5.77¾
23.80	German	28.14¾	27.32	27.09¾
13.90	Belgian	16.49	16.15	16.06
49.80	Japanese	42.80	43.21	42.20

Winnipeg Grain Prices

Week to January 26

Crop Year from Aug. 14 High	Low		Open Jan. 20	High for week	Low for week	Close Jan. 26
		Wheat				
.76½	.55⅛	May	.63⅞	.64	.61⅛	.61
.77⅞	.61⅛	July	.64⅝	.65¼	.62¾	.63
.67½	.64⅜	Oct.	.65½	.66⅜	.64⅜	.64
		Oats				
.38	.28	May	.32⅜	.32⅞	.31⅛	.32
.37½	.31⅜	July	.32½	.32⅜	.31⅜	.31
		Barley				
.47¾	.32½	May	.40⅜	.41⅜	.39½	.39
.45½	.38¾	July	...	.40½	.39½	.31
.43¼	.39½	Oct.	...	.40⅜	.39⅝	.39
		Flax				
1.21	.97½	May	1.02½	1.03¾	1.01⅜	1.02
1.16½	1.00½	July	....	1.03½	1.01⅜	1.02
		Rye				
.59⅛	.32½	May	.46⅞	.47⅜	.45½	.45
.59	.43⅜	July	.47⅜	.48¼	.46⅜	.46

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

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THE ROAD OF TRAVEL LUXURY

SAYS CO-ORDINATION OF RAILS, HIGHWAYS IN PUBLIC INTEREST

(Continued from page 11)

of all such highways in Canada. These two provinces, therefore, have a tremendously greater interest in highway development and highway problems than the other provinces.

What has our highway system cost us? Since expenditures have been made by various public authorities ever since the country was settled and many of them by small local authorities whose book-keeping systems never registered 100 per cent perfect, it is a difficult question to answer with exactitude. However, from figures of road mileage compiled by the Dominion Bureau of Statistics and known costs of construction for the different types of highways vouched for by engineers of experience and repute, a close approximation can be made. W. A. McLean, formerly for many years deputy minister of highways for Ontario, and an outstanding highway engineering authority, estimates the cost of the Canadian highway system at approximately $527,000,000 as follows:

Class:	Mileage	Value per Mile	Total
Improved earth roads	155,234	$ 700	$108,663,800
Gravel & loose stone	70,942	5,000	212,826,000
Oiled gravel	405	4,000	1,620,000
Water-bound Macadam	4,991	5,000	24,955,000
Bituminous Macadam	1,445	20,000	28,900,000
Bituminous concrete	1,275	30,000	38,250,000
Cement concrete	1,421	30,000	42,530,000
Other	17	20,000	340,000
Bridges & miscel. construction, 15%	....	.....	68,727,720
			$526,812,520

A similar estimate by George Hogarth, deputy minister of public works for Ontario and for many years chief engineers for Dept. of Public Highways, gives a total of $617,323,530. Having regard to the opinion of both of these authorities it may be said that a fair valuation of the Canadian highway system is $600,000,000. This valuation, based on official mileage statistics and on the valuations of experienced highway engineers is, we submit, to be accepted in place of the rather absurd figures approximating a billion dollars put forward from time to time by various railway proponents, who do not, however, state the basis of their computation.

Trucks on Roadways

In no respect has the truck and the bus been more maligned than in the fallacious statement, assiduously spread by clever propaganda, that on account of their weight and speed they are especially harmful to the roads. To the casual observer it would seem logical that on account of their size and weight these vehicles would be harder on highways than passenger cars, but scientific investigations conducted over the past four or five years by the engineers of the United States Bureau of Public Roads conclusively show that it is not the absolute weight of a vehicle that is the factor which determines its effect on the road but how that weight is distributed through the wheels to the road.

The investigations also, showed that, contrary to popular belief, the speed of automobiles up to a certain point did not impose heavier burdens on the highway than lower speeds and that the weather was the most important factor in road building, the action of frost and sun and rain alone making necessary a minimum thickness of pavement more than sufficient to carry ordinary passenger car, bus and truck traffic. Therefore for climatic reasons we would have to build our highway pavements as thick as we have regardless of whether we had any buses or trucks operating on them at all, that speeds up to 45 miles an hour are no more harmful to a pavement than speeds up to 25 miles an hour, and that the use of balloon tires with large road-surface contact and the distribution of heavy loads by means of multiple wheels, has done much to minimize the wear of traffic on the road. There is thus no foundation for the claim that buses and trucks are exceptionally destructive to highways and that, therefore, they should be taxed beyond the heavy imposts they now bear.

What Should User Pay?

In attempting to form an idea of the proportion of the cost of our highway system that may properly be assigned to the motor vehicle and its use of highway facilities it should be kept in mind that our system of highways, so far as mileage is concerned, was in existence substantially the same as today, long before the motor vehicle came into general use. For this reason and also because of the large proportion of our total highway mileage consisting of unimproved country roads, which are little used by automobile traffic, only a portion of the cost of our highway system can logically or fairly be debited to motor traffic.

There is another reason why all highway costs should not be charged to motor vehicles. Highway transportation, like all other forms of transportation, confers indirectly a benefit upon every citizen in the country, and, as we have seen, governments in recognition of this have always subsidized and assisted transportation in every way possible, the railways in recent times benefitting most from this policy. It was in recognition of this policy that the Dominion Government in 1919, through the Canadian Highways Act, gave the sum of $25,000,000 to the provinces to expand on highway construction and improvement.

Experts Say Two-thirds

The principle has been succinctly stated by A. D. Ferguson of the department of economics of the C. N. R. who, in an address delivered in Montreal in September, 1931 said: "In view of the many benefits we all derive from having good roads throughout Canada, it is not proposed that motor vehicles should pay all the charges of roads. The recent Royal Commission on Transport in Great Britain declared that motor vehicles should pay two-thirds of these charges and that one-third should be contributed from general taxation."

This is a fair allocation of cost and has been generally accepted as such. Using it as a basis we can compute what amount of the cost of the Canadian highway system should be assigned to motor vehicles.

Careful and elaborate compilations of provincial highway revenue and expenditures have been made by the Citizens Research Institute of Canada. These show that in 1930 the current expenditure (maintenance plus interest and sinking fund) was $54,386,097 and revenue from highway users was $40,308,180; that is to say, revenue was 74.1 per cent of current expenditure. This compares with the proportion of 66 2/3 per cent of charges which the British Royal Commission on Transport set as a fair proportion for highway users to pay, and should certainly dispose of the contention that motor vehicle transportation in Canada is not paying its way. In fact, in some of the western provinces, notably Alberta and Manitoba, the table shows it is not only paying 100 per cent of provincial current highway expenditure, but is in addition contributing substantially to the general revenues of the provinces. This constitutes unfair discrimination against highway transportation in those provinces and is economically unsound.

Any demand that exists for regulation seems to be directed mainly against the public carrier motor truck. Public and private carriers taken together handle but a small proportion of the freight transportation of the country. Bernard Allen, of the Bureau of Economics of the Canadian National Railways estimates that motor trucks accounted for a revenue of about $22,000,000 or approximately 4.86 per cent of the railways gross revenue. He assumes that all of this was taken from the railways, which is hardly a valid assumption since the motor trucks themselves by opening up new routes no doubt created some of this traffic.

Only a very small percentage of the total number of trucks registered are public and contract carriers. Mr. Allen estimates this percentage as 4 per cent of the total truck registration. It may well be asked then what appreciable help would be given to the railways by placing restrictions on this small percentage of trucks. Very little, indeed. Yet it would mean considerable loss and inconvenience to the public.

Solution Lies in Co-ordination

The motor vehicle has undisputedly, through actual efficient performance, made a place for itself in our transportation system and it is useless for the railways to refrain longer from making use of it fully in co-ordination with the efficient line service they have been designed to give. It would enable them to overcome the weakest feature in their system of transportation—the handling of short-haul and branch line passenger traffic and less-than-carload freight. The railway has attained the economy of the heavy trainload in the line-haul only at the expense of increasing the size of its cars and the weight of its carload.

"Our average load of less-than-carload freight," says J. C. Turney, vice-president of the St. Louis Southwestern Lines, "is less than five tons in a container whose net capacity is 40 tons and whole total weight is 20 tons; that is we haul four pounds of car for each pound of l.c.l. freight....traffic that is insufficient to warrant an additional train at a cost of several dollars per train mile (it was $3,681 in Canada in 1929) is more than sufficient to warrant several truck units at a cost of 30 cents a mile. He goes on to point out the disabilities of packing, incomplete carriage, inflexible schedules, and the interminable delays of short-haul rail transportation, stating that of the total life of a freight car 90 per cent is spent in terminals, switching and unloading and around shops, and only 10 per cent in line haul movement. Co-ordination with the truck and bus would, he says, eliminate most of these difficulties.

Need Change of Attitude

United States railways, notably the Pennsylvania, the New York Central and the New Haven are making increasing use of motor highway transportation, and it is only a question of time till the same will be done by our Canadian railways. It will require mainly a change of mental attitude on the part of railway executives and a writing down of investments made in terminal facilities now being rendered partially unnecessary by the new form of transportation. It may mean a change in the rate structure with cost of service given a greater influence in rate making than the charging of what the traffic will bear. By such changes the public should ultimately benefit.

In conclusion, it may be said we have shown the extent to which the industries and interests connected with the motor vehicle and with highway transportation have become a factor in our economic and social life, and the service and convenience they afford to every class of society. We have shown how these new forms of transportation have benefitted the railways by bringing them increased traffic, and have demonstrated how the troubles from which the railways are suffering are due to inherent defects in railway policies and administration rather than to highway competition.

It has been shown further that highway transportation has not received public aid comparable in extent to that accorded the railways and water-borne transportation, and that motor vehicle transportation is not only paying its way but in some instances is contributing also to general provincial revenues. It has been demonstrated by reference to expert engineering testimony that our highway pavements in order to resist weather conditions would have to be built as heavy as they are, even if there were no truck or bus traffic, and that trucks and buses because of greater tire area contact with the roadway are no more destructive to it than ordinary passenger cars.

It is submitted, therefore, that increases in taxation on highway transportation would be discriminatory, inequitable and economically harmful. We submit, further, that the railways are not justified in asking that additional and punitive taxation be levied on highway transportation, thus penalizing large numbers of people who depend on it for a convenient and necessary form of service. Additional force is lent to this contention since the railways have not attempted to supply the transportation needs which the motor vehicle has supplied and which the public demands.

Canadian Quotations—Cont'd

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Acme Farmers Dairy, pref.	7%	3½%	Feb. 10	Jan. 30
Bk. Can. Nationale	10%	2½%	Mar. 1	Feb. 15
Blue Ribbon pfd.	$2	50c	Feb. 1	Jan. 28
Bank of Montreal	12%	3%	Mar. 1	Jan. 30
Beatty Bros. 1st pfd.	6%	1½%	Feb. 1	Jan. 15
Do., com.	$1	25c	Feb. 1	Jan. 15
Belding Corticelli, c.	7%	1¾%	Feb. 1	Jan. 15
B. C. Telephone, 2nd pref.	6%	1½%	Feb. 1	Jan. 15
Borden's	$3	75c	Mar. 1	Feb. 15
Bank of Toronto	12%	3%	Mar. 1	Feb. 15
Brazilian Tr. ord.	$1	25c	Mar. 1	Jan. 30
Calgary Power, pref.	6%	1½%	Feb. 1	Jan. 15
Can. Southern Rly.	$3	$1.50	Feb. 1	Dec. 28
Canadian Car, c.	$1	25c	Feb. 29	Feb. 15
Can. Bronze	$1.25	31¼c	Feb. 1	Jan. 20
Do., pref.	7%	1¾%	Feb. 1	Jan. 20
Canadian Dredge, pref.	7%	1¾%	Feb. 1	Jan. 15
Can. Industries com.	..	62½c+$1	Jan. 30	Dec. 31
Can. Foreign Invest.,pfd.	8%	2%	Feb. 1	Jan. 15
Cities Service, com.	30c	2½c	Feb. 1	Jan. 15
Do.,	6% stk.	½% stk.	Feb. 1	Jan. 15
Can. Converters	2%	50c	Feb. 15	Jan. 30
Can. Investors c.	60c	15c	Feb. 1	Jan. 15
Can. Wire & Cable "A"	$4	$1	Mar. 15	Feb. 29
Do., pref.	6½%	1⅝%	Mar. 15	Feb. 29
Canadian Car, pref.	$1.75	44c	Apr. 9	Mar. 26
Can. Hydro Elec. 1st pfd.	6%	1½%	Mar. 1	Feb. 1
Canadian Oil, c.	$1	25c	Feb. 15	Feb. 1
Do., pref.	8%	2%	Apr. 1	Mar. 19
Can. Bank of Commerce	12%	3%	Mar. 1	Jan. 31
Coast Breweries	$1.84	46c	Feb. 1	Jan. 20
Crown Life Assur.	6%	6%	Jan. 19	Dec. 31
Cons. Sand & Gravel, pfd.	$7	$1.75	Feb. 15	Jan. 30
Dome Mines	$1	25c	Apr. 20	Mar. 31
Dom. Scottish Investments pfd.	5%	62½c	Feb. 1	Jan. 20
Disher Steel Cons. "A" pfd.	$1.50	37½c	Feb. 1	Jan. 15
Dominion Bridge	$2.50	62½c	Feb. 15	Jan. 30
Do.	...	62½c	May 16	Apr. 30
Dominion Tar, pref.	6½%	1⅝%	Feb. 1	Jan. 6
Eastern Theatres, pfd.	7%	3½%	Jan. 30	Dec. 31
Eastern Dairies	$1	25c	Feb. 1	Jan. 15
Eastern Theatres, com.	$2	50c	Mar. 1	Jan. 30
Frost Steel, 1st pref.	7%	1¾%	Feb. 1	Jan. 20
Fuller, Geo. "A" (Can.) pfd.	6%	$1.50	Feb. 1	Jan. 15
Foreign Pr. Secs. pfd.	6%	1½%	Feb. 15	Jan. 31
Foundation Co.	$1	25c	Feb. 15	Jan. 30
Granby Cons.	50c	12½c	Feb. 1	Jan. 15
Guelph Carpet, pfd.	6½%	1⅝%	Feb. 1	Jan. 20
Humberstone Shoe	$2.40	60c	Feb. 1	Jan. 2
Hollinger Mines	65c	1%	Jan. 28	Jan. 14
Hamilton Bridge, pfd.	6½%	1⅝%	Feb. 1	Jan. 15
International Nickel, pref.	7%	1¾%	Feb. 1	Jan. 2
Imperial Bank	12%	3%	Feb. 1	Dec. 31
Inter. Utilities prior pfd.	$7	1¾%	Feb. 1	Jan. 15
Do., Series	$3.50	87½c	Feb. 1	Jan. 15
Lindsay, C. W.	$1	25c	Mar. 1	Feb. 15
Do., pref.	6½%	1⅝%	Mar. 1	Feb. 15
Mansfield Theatres pfd.	7%	3½%	Jan. 30	Dec. 31
MacKinnon Steel pref.	7%	1¾%	Feb. 1	Jan. 15
Montreal L. H. & Pr.	$1.50	38c	Jan. 31	Dec. 31
McIntyre Mines	20%	5%	Mar. 1	Feb. 1
Mortgage Corp. of N.S. c.	$7	$1.75	Feb. 1	Jan. 24
National Biscuit pfd.	7%	$1.75	Feb. 29	Feb. 11
Do., com.	$2.80	70c	Apr. 15	Mar. 18
Neon Prod. of West. Can. pfd.	6%	1½%	Feb. 1	Jan. 15
Ontario Steel, pref.	7%	1¾%	Feb. 15	Jan. 30
Penmans, pref.	6%	1½%	Feb. 1	Jan. 21
Power Corp., com.	$2	50c	Feb. 20	Jan. 30
Royal Bank	12%	3%	Mar. 1	Jan. 30
Russell Motor Car	2%	½ of 1%	Feb. 1	Dec. 31
Do., pref.	7%	1¾%	Feb. 1	Dec. 31
Saskatchewan Life	60c	60c	Jan. 2	Dec. 15
Security Loan & Sav.	$7	$3.50	Jan. 2	......
Simpsons, pref.	6½%	1⅝%	Feb. 1	Jan. 20
South Can. Power com.	$1	25c	Feb. 15	Jan. 30
Steel of Canada	7%	1¾%	Feb. 1	Jan. 7
Do., pref.	7%	1¾%	Feb. 1	Jan. 7
St. Law. Flour, pref.	7%	1¾%	Feb. 1	Jan. 20
Second Std. Royalties, pfd.	...	1%	Feb. 1	Jan. 22
Service Station, pref.	6%	$1.50	Feb. 1	Jan. 15
Do., Ser. "A" pref.	6%	$1.50	Feb. 1	Jan. 15
Standard Paving, pref.	$7	$1.75	Feb. 15	Jan. 30
Teck Hughes	60c	15c	Feb. 1	Jan. 16
Weston, pref.	7%	1¾%	Feb. 1	Jan. 20

Dividends Passed or Deferred:

Can. Dredge, com., Feb. 1, passed. Last paid 75c., Nov. 2, 1931.

Penmans, com., Feb. 15, deferred. Last paid Nov. 16, 1931.

Consolidated Industries Feb. 1, passed. Last paid 20c. Nov. 2, 1931.

Frost Steel & Wire "A" pref. Feb. 1 passed. Last paid $1.75 Nov. 1, 1931.

Ontario Steel, com. Feb. 15 passed. Last paid 20c. Nov. 16, 1931.

Consolidated Press Feb. 1, passed. Last paid 50c. Nov. 2, 1931.

Blue Ribbon, com., Feb. 1 passed. Last paid 50c. Nov. 2, 1931.

Guelph Carpet com., Feb. 1, passed. Last paid 25c. Nov. 2, 1931.

Canada Wire & Cable, Class 'B'" Mar. 15 passed. Last paid 25c. Dec. 15, 1931.

Dividend Rate Reduced:

Can. Bronze c. 31¼c. Feb. 1. Reduced from $2.50 to $1.25 per annum.

Can. Converters 50c. Feb. 15. Reduced from $4 to $2 per annum.

Dominion Bridge 62½c. Feb. 15. Reduced from $3 to $2.50 per annum.

Granby Consolidated 12½c. Feb. 1. Reduced from $1 to 50c. per annum.

Can. Car, com., 25c. Feb. 29, reduced from $1.75 to $1 per annum.

Russell Motor Car, com. ½ of 1% Feb. 1. Reduced from $3 to $2 per annum.

Blue Ribbon pref., 50c. Feb. 1. Reduced from $3.25 to $2 per annum.

Mining Stock Quotations

Week Ending January 27

Par Val	Range 1932 High	Range 1932 Low	Company	Sales	Close Jan. 18 (or last)	High for week	Low for week	Close Jan. 25
1	.05	.04	Abana	2,200	.05	.05	.04	.05
1	.02	.01	Aconda	......	.01	.....	.....	.....
1	*.05½	.03½	Adrien	......	.04⅞	.....	.....	.....
No	.15	.15	Aldermac	100	.15	.15	.15	.15
1	.08½	.06	Alexandria	5,500	.06	.07	.06	.07
1	.01	.00¾	Algonquin	......	.00¾	.....	.....	.....
1	.01	.00½	Amity C.	......	.00½	.....	.....	.....
No	.22	.19	Amulet	2,549	.20	.20	.19	.19
1	.00½	.00½	Apex	6,000	.00½	.00½	.00½	.00½
1	.01½	.01½	Area	......	.01½	.....	.....	.....
1	*.01	.00½	Argo. Cons.	......	.01	.....	.....	.....
No	.02	.01¾	Arno	17,500	.01¾	.02	.01¾	.01¾
1	.02	.02	Astoria	......	.02	.....	.....	.....
1	*.02	.00½	Atlas	......	.00½	.....	.....	.....
1	.03½	.03½	Bagamac	......	.03½	.....	.....	.....
1	.00½	.00½	Baldwin	500	.00½	.00½	.00½	.00½
1	.11	.07½	Barry Hollinger	30,300	.08½	.08½	.07½	.07½
No	1.00	.90	Base Metals	300	1.00	.95	.90	.90
No	*.04	.00⅞	Bathurst	......	.03	.....	.....	.....
5s.	*1.75	.60	B'Wana McKubwa	......	1.00	.....	.....	.....
1	*.28	.26	Ben Nevis	......	.27	.....	.....	.....
No	.12	.05	Bidgood	49,750	.07	.07½	.05	.05½
1	.16	.13	Big Missouri	9,900	.15	.15	.13	.13½
1	*.05½	.04½	Blue Quartz	......	.04½	.....	.....	.....
1	.05	.02½	Bobjo	35,700	.03½	.05	.03½	.04½
No	*.01	.00½	Boischatel	......	.01	.....	.....	.....
1	.07½	.06½	Brett Trethewey	5,700	.07½	.07½	.06½	.06½
No	.03	.02	Brownlee	9,500	.02½	.02½	.02½	.02½
1	*.02	.00½	Buckingham	......	.02½	.....	.....	.....
No	.28½	.22½	Buffalo Can.	13,500	.23½	.28½	.23½	.28½
No	.02½	.02	Bunker Hill	6,500	.02½	.02	.02	.02
No	*.03	.01	Cal. Flin Flon	......	.01	.....	.....	.....
1	*.04	.01	Cambro Kirkland	......	.04	.....	.....	.....
No	*.05½	.02	Canam Metals	......	.02	.....	.....	.....
1	.02½	.02	Can. Kirkland	16,000	.02	.02½	.02	.02
1	.08	.04	Canusa	22,100	.05	.05½	.04	.05½
1	.02½	.01	Capital Rouyn	22,500	.01½	.01½	.01	.01
1	.15	.14	Castle Trethewey	5,000	.15	.14½	.14	.14
1	.08	.07	Cen. Manitoba	3,000	.08	.07½	.07	.07
1	.07½	.05½	Cen. Patricia	2,650	.07	.06½	.05½	.05½
1	*.03	.01½	Champion R.	......	.02½	.....	.....	.....
No	.07½	.07	Chibougamau Pros.	2,000	.07	.07	.07	.07
No	.01½	.01	Clericy	7,100	.01½	.01½	.01	.01
5	3.00	2.50	Coast Copper	180	3.00	3.00	3.00	3.00
1	.02	.01½	Cobalt Contact	9,000	.02	.02	.01½	.01½
1	*.02	.00½	Col. Kirkland	......	.01½	.....	.....	.....
1	.08	.06	Columario	4,500	.08	.06½	.06	.06½
5	*1.50	.50	Coniagas	......	1.00	.....	.....	.....
No	.40	.32	Coniaurum	300	.40	.32	.32	.32
25	72.00	66.00	Cons. Smelters	1,197	70.50	71.50	68.00	69.00
1	*.40	.15	Cons. Venus	......	.40	.....	.....	.....
1	*.01	.00½	Corona	......	.00½	.....	.....	.....
1	.01½	.01½	Crown Reserve	......	.01½	.....	.....	.....
No	.09½	.07	Dom. Explorers	20,850	.08½	.08½	.08	.08½
1	*.03	.00½	Dom. Kirkland	......	.00⅞	.....	.....	.....
No	10.50	9.30	Dome Mines	10,000	10.00	10.50	9.75	10.00
1	.01	.01	Don Rouyn	......	.01	.....	.....	.....
No	*.33	*.30	Donald Woolsey	......	.30	.....	.....	.....
1	*.01	.00½	Dunkin	......	.00½	.....	.....	.....
1	*.02½	.00½	Duprat	......	.01½	.....	.....	.....
1	1.33	1.05	Eldorado	8,680	1.25	1.25	1.18	1.21
No	1.05	.95	Falconbridge	300	1.00	1.00	.95	.95
1	.04	.03	Federal	1,500	.03½	.03½	.03	.03½
No	.00½	.00½	Flintoba	......	.00½	.....	.....	.....
No	.07	.06	Gem Lake	1,000	.07	.07	.07	.07
No	*.04½	.01½	Gilbec	......	.02	.....	.....	.....
1	.02	.02	Goldale	......	.02	.....	.....	.....
10	.11	.11	Goldfield	......	.11	.....	.....	.....
1	.00½	.00½	Gold Hill	......	.00½	.....	.....	.....
1	.04	.03½	Goodfish	3,500	.04	.03½	.03½	.03½
1	.01	.00½	Graham	......	.01	.....	.....	.....
1	1.25	1.04	Granada	13,745	1.10	1.10	1.04	1.04
1	.20	.17	Grozelle	27,973	.19	.20	.19	.20
No	*.30	.29	Halliwell	......	.28	.....	.....	.....
1	*.03	.01	Harker	......	.02	.....	.....	.....
1	.01½	.01½	Hilltop	10,500	.01½	.01½	.01½	.01½
5	5.70	5.25	Hollinger	5,030	5.25	5.60	5.25	5.50
1	.36	.33	Howey Gold	12,425	.35	.36	.34½	.35½
No	2.78	2.55	Hudson Bay	305	2.60	2.70	2.60	2.60
No	*.40	.20	Huronian	......	.20	.....	.....	.....
No	11.00	8.62	Inter. Nickel	8,211	10.00	10.12	9.37	9.50
1	.01½	.01½	Jackson Manion	6,000	.01½	.01½	.01½	.01½
1	.23	.23	Keeley	......	.23	.....	.....	.....
1	.02	.01	Keora M.	7,500	.01½	.02	.01½	.01½
1	.70	.50	Kirk. Hud. Bay	950	.50	.50	.50	.50
1	.02	.01½	Kirk. Hunton	12,500	.01½	.01½	.01½	.01½
1	.55	.50	Kirkland Lake	13,550	.52	.53	.50	.50
1	.03½	.01½	Kirk. Premier	14,800	.01½	.03½	.01½	.02
1	.13	.09	Kirk. Townsite	9,000	.10	.11	.09	.09
20c	.01½	.00¾	Koot. Florence	2,100	.01	.01	.00¾	.00¾
1	.00¾	.00¾	La Rose	1,000	.01	.00¾	.00¾	.00¾
1	*.69	.38	Lakeland	......	.42	.....	.....	.....
1	29.10	28.00	Lake Shore	3,860	28.65	29.00	28.35	28.75
1	.00½	.00½	Laval	......	.00½	.....	.....	.....
1	.01½	.01½	Lebel Oro	500	.02	.01½	.01½	.01½
No	*.35	.35	Locarno	......	.35	.....	.....	.....
1	.40	.36	Macassa	8,400	.38	.38	.37	.38
1	.05	.03½	Malartic	2,500	.05	.04½	.04	.04
No	.05	.05	Mandy	......	.05	.....	.....	.....
No	.01½	.01	Manitoba Basin	89,100	.01	.01½	.01	.01
1	.30	.30	McKinley	......	.30	.....	.....	.....
5	19.50	17.30	McIntyre	1,130	18.75	18.55	18.10	18.25
No	.07	.03⅞	McLeod River	109,000	.04½	.07	.03⅞	.07
1	*.04	.04	McVittie	......	.04	.....	.....	.....
1	*.29	.03	MacMillan	......	.10	.....	.....	.....
No	1.43	1.30	Mining Corp.	2,070	1.35	1.43	1.30	1.30
1	.08½	.05	Moffatt Hall	171,265	.07	.07½	.05	.06½
1	*.04	.02½	Moneta	......	.03	.....	.....	.....
1	*.00½	.00½	Mtl. Rouyn	......	.00½	.....	.....	.....
1	.40	.30	Moss	14,600	.34	.38	.35½	.38
1	.02½	.01½	Murphy	4,750	.01½	.02½	.01½	.01½
No	.03	.02½	Newbec	500	.02½	.02½	.02½	.02½
1	*.40	.25	Nevada	......	.25	.....	.....	.....
1	*.09	.02	Night Hawk	......	.02	.....	.....	.....
5	1.15	1.03	Nipissing	740	1.04	1.10	1.05	1.05
No	17.50	15.00	Noranda	9,497	16.40	16.65	15.50	15.50
No	.24	.19	Nor. Canada	1,500	.24	.23	.21	.21
No	.01	.00¾	Old Colony	......	.01	.....	.....	.....
1	*.01	.00½	Ophir	......	.00½	.....	.....	.....
1	*.10½	.02	Oriole	......	.02	.....	.....	.....
1	.06½	.06	Osisko	100	.06½	.06	.06	.06
1	*.25	.20	Parkhill	......	.24	.....	.....	.....
1	.12½	.11	Patricia Dent	3,000	.12½	.12½	.12½	.12½
1	.02	.01½	Pawnee Kirk.	2,400	.01½	.01½	.01½	.01½
No	1.10	.85	Pend Orielle	2,400	1.07	1.10	1.03	1.10
1	.01	.01	Pete Cobalt	......	.01	.....	.....	.....
.	*.25	.18½	Phoenix Molybd.	......	.25	.....	.....	.....
1	*.01½	.00½	Picard	......	.00½	.....	.....	.....
1	3.86	3.10	Pioneer Gold, B.C.	23,400	3.10	3.86	3.35	3.35
1	.04½	.04	Pioneer Mines	......	.04	.....	.....	.....
1	*.02½	.00½	Porcupine Crown.	......	.00½	.....	.....	.....
1	.01½	.01	Potter Doal	23,000	.01⅛	.01⅛	.01	.01
1	*.45	.30	Powell Rouyn	......	.30	.....	.....	.....
1	.63	.57	Premier Gold	100	.60	.60	.60	.60
1	.00⅞	.00⅞	Preston E. Dome.	1,000	.00½	.00⅞	.00⅞	.00⅞
No	*.29	.15	Prospectors Air's.	......	.15	.....	.....	.....
No	.06	.05½	Quemont	......	.06	.....	.....	.....
1	.02	.01	Ribago	63,000	.01½	.02	.01½	.01½
1	*.34	.24	Rich. Rock	......	.33	.....	.....	.....
1	.02½	.01½	Ritchie	6,000	.02	.02	.01½	.01½
1	.01½	.01½	Robb Montbray	1,000	.01	.01½	.01½	.01½
1	.36	.25	San Antonio	300	.25	.33	.33	.33
1	*.21	.10	Seven Troughs	......	.10	.....	.....	.....
1	.65	.58	Sherritt Gordon	7,160	.63	.64	.58	.60
1	.61½	.50	Siscoe	72,160	.50¾	.61½	.51	.60½
1	.03	.01½	South Keora	3,000	.01½	.02	.02	.02
No	.02½	.01½	Stadacona	14,000	.02	.02½	.01½	.01½
1	.17	.07½	St. Anthony	42,800	.12	.17	.11	.16½
No	.45	.38	Sudbury Basin	650	.38	.40	.38	.40
1	.01½	.00½	Sudbury Contact.	......	.01½	.....	.....	.....
1	.00⅞	.00½	Sudbury Mines	6,000	.00½	.00½	.00½	.00½
No	*.04½	.01	Sudbury Nickel	......	.03½	.....	.....	.....
1	.09	.09	Sullivan	......	.09	.....	.....	.....
1	.65	.59	Sylvanite	9,467	.61½	.65	.60	.62
1	.07	.05½	Tashota	1,000	.07	.06	.05½	.05½
1	5.25	4.60	Teck Hughes	13,070	4.80	4.90	4.68	4.71
1	*.10½	.01	Telluride	......	.01	.....	.....	.....
1	*.01½	.01	Temiskaming	......	.01½	.....	.....	.....
1	.02½	.02½	Thom. Cadillac	2,000	.02½	.02½	.02½	.02½
1	*.02½	.00½	Tough Oakes	......	.01	.....	.....	.....
1	.40	.25	Towagmac	3,800	.25	.40	.35	.35
1	1.30	1.12	Treadwell	400	1.30	1.25	1.12	1.12
No	*2.85	2.40	Tri-Metals	......	2.85	.....	.....	.....
1	.08½	.08	United Kirkland	3,000	.08	.08½	.08	.08½
1	*.03	.01	Vacuum Gas	......	.01	.....	.....	.....
No	.53	.46	Ventures	9,900	.49	.52	.48	.49
1	.16½	.14	Vickers	3,500	.16	.16½	.16	.16
1	.45	.38	Vipond	5,000	.40	.41	.38	.40
No	1.00	.60	Waite Ackerman	1,900	.75	.95	.90	.90
1	*.02½	.01	West Tree	......	.01	.....	.....	.....
1	.03	.03	White Lake	......	.03	.....	.....	.....
1	*.06	.01½	Wiltsey	......	.01½	.....	.....	.....
No	.01½	.00½	Windfall R.	......	.01	.....	.....	.....
.	*.13	.03½	Wood Kirk	......	.04	.....	.....	.....
No	3.06	2.70	Wright-Hargreaves	8,505	2.90	2.90	2.80	2.87

WESTERN OIL STOCKS

Par Val	Range 1932 High	Range 1932 Low	Company	Sales	Close Jan. 18 (or last)	High for week	Low for week	Close Jan. 25
No	.19	.15	Acme	53,023	.16	.19	.16	.17
1	1.17	1.02	Ajax	5,050	1.12	1.13	1.02	1.02
1	.12	.08	Alta. Pacific	550	.10½	.10	.08	.10
.	*.01	.01	Askalta	......	.01	.....	.....	.....
No	.10	.06	Associated Gas	......	.07	.....	.....	.....
No	.04	.04	Baltac	500	.04	.04	.04	.04
1	*.07	.02	Black Diamond	......	.02	.....	.....	.....
1	.06	.04½	Brit. Dominion	150	.06	.04½	.04½	.04½
No	.38	.31	Calgary & Ed.	100	.34	.34	.34	.34
1	.09	.06	Calmont	1,450	.09	.09	.07	.07
1	.09	.07½	Comm. Pete	450	.08	.09	.08	.08
No	*.29½	.26½	Crudome	......	.28½	.....	.....	.....
No	.20	.20	Dalhousie	500	.20	.20	.20	.20
No	*.08	.01	Devenish	......	.01½	.....	.....	.....
No	.02	.01½	Dome Oil	3,000	.01½	.01½	.01½	.01½
No	.12	.11	East Crest	2,500	.12	.11½	.11½	.11½
No	*.05	.00½	Fabyan Pete	......	.00½	.....	.....	.....
No	*.60	.05	Foothills	......	.08	.....	.....	.....
No	*.18½	.02	Freehold	......	.03½	.....	.....	.....
1	.02	.02	Great West	......	.02	.....	.....	.....
No	.05	.05	Hargal	......	.05	.....	.....	.....
No	*.10	.03	Herron Pete	......	.03½	.....	.....	.....
No	.05	.04½	High Sarcee	......	.05	.....	.....	.....
No	.47	.40	Home	300	.45	.45	.40	.45
No	.05	.04	Homestead	100	.04	.04½	.04½	.04½
1	.48	.28	Homest'd O. & G.	6,200	.39	.38	.28	.28
.	*.10	.09	Hylo	......	.09	.....	.....	.....
1	.01	.00¾	Illinois Alta	16,000	.00¾	.00¾	.00¾	.00¾
No	*.70	.10½	Lowery	......	.18	.....	.....	.....
1	.02	.01½	Madison	4,800	.02	.01½	.01½	.01½
1	*.85	.12	Mayland	......	.15½	.....	.....	.....
No	.04	.03½	McD. Segur Ex.	2,500	.03½	.03½	.03½	.03½
1	.04½	.03½	McD. Segur N.	1,500	.03½	.03½	.03½	.03½
1	.50	.35½	McLeod	100	.37	.35½	.35½	.35½
No	.10	.09	Mercury	15,150	.10	.10	.09	.09
No	.06	.06	Merland	500	.06	.06	.06	.06
No	.12	.10	Mill City Pete	300	.11	.11	.11	.11
1	*.49	.11	Model	......	.16	.....	.....	.....
1	.04	.04	Monalta	4,500	.07	.04	.04	.04
1	.07	.04½	Moose Mountain	......	.04½	.....	.....	.....
1	*.04	.00½	New Federal	......	.00½	.....	.....	.....
5	.14	.10½	Nordon	12,400	.11	.13	.11	.11½
No	.04½	.03	Oil Selection	12,000	.03½	.04½	.03½	.04
No	.05	.04½	Okalta	1,500	.05	.04½	.04½	.04½
100	15.00	15.00	Do., pref.	......	15.00	.....	.....	.....
No	.20	.16	Olga Gas & Oil	1,600	.19	.20	.17	.20
No	.04	.02	Penn. Pete	89,100	.03½	.04	.03½	.03½
1	.28	.24	Petrol	......	.25	.....	.....	.....
No	.14	.09	Ranchmen's	305	.13	.13	.10	.12
1	.01	.01	Regent	......	.01	.....	.....	.....
No	.02½	.02½	Richfield	100	.02½	.02½	.02½	.02½
No	6.65	6.00	Royalite	20	6.50	6.65	6.60	6.60
1	.10	.08	Sarnia Oil	2,000	.10	.09	.08	.08
1	.03	.02	Signal Hill	1,500	.02	.03	.02½	.02½
No	*.27	.05	South West Pete	......	.10	.....	.....	.....
1	.20	.17	Spooner	......	.20	.....	.....	.....
No	.11	.10	Sterling Pacific	1,600	.11	.11	.10	.10
1	.11	.11	Turner Valley	100	.10	.11	.11	.11
No	.08	.07	United	3,700	.08	.07½	.07½	.07½
1	.09	.09	Vulcan	......	.09	.....	.....	.....
No	.02	.00½	Wainwell	......	.01½	.....	.....	.....
1	*.28	.08	Waite Valley	......	.08½	.....	.....	.....

VANCOUVER STOCK EXCHANGE

(Transaction for week to January 20)

Par Val	Range 1932 High	Range 1932 Low	Company	Sales	Close Jan. 18 (or last)	High for week	Low for week	Close Jan. 25
25c	*.01	.00½	Bayview	......	.00½	.....	.....	.....
20c	.04½	.03½	Beaver Silver	3,500	.04½	.04½	.04½	.04½
25c	.02½	.02	Bluebird	......	.02	.....	.....	.....
25c	*.80	.40	B. C. Silver	......	.40	.....	.....	.....
25c	*.02	.00½	Cork Province	......	.01	.....	.....	.....
1	*.30	.06	Cotton Belt	......	.06	.....	.....	.....
1	*.03	.02	Dalhousie Mines	......	.02½	.....	.....	.....
1	*.04	.02	Dunwell	......	.02	.....	.....	.....
1	*.10	.02	Duthie	......	.02½	.....	.....	.....
1	.45	.45	George Copper	......	.45	.....	.....	.....
50c	*.05	.01	Geo. Enterprise	......	.02	.....	.....	.....
1	.04½	.03½	George River	13,500	.03⅞	.04	.03½	.03½
1	.24	.22	Golconda	100	.22	.24	.24	.24
50c	.08	.06½	Grandview	6,800	.07½	.08	.07	.07
No	*27.50	15.00	Howe Sound	......	21.25	.....	.....	.....
1	.11	.09	Intern. Coal	......	.11	.....	.....	.....
1	*.02	.01	Independence	......	.01½	.....	.....	.....
1	*.02	.01	Indian Mines	......	.02	.....	.....	.....
1	*.43	.22	Jack Waite	......	.25	.....	.....	.....
25c	*.02	.00½	Kootenay King	......	.01	.....	.....	.....
25c	*.02	.00½	L. & L.	......	.02	.....	.....	.....
1	.19½	.13½	Lorne Gold	69,650	.18½	.18½	.15	.17
1	*.12	.12	Los. Ang. Van.	......	.12	.....	.....	.....
10c	.02	.02	Lucky Jim	......	.02	.....	.....	.....
2.50	*.01	.00½	Marmot Gold	......	.01	.....	.....	.....
5	*.09	.07	Metaline Metals	......	.09	.....	.....	.....
1	.03	.01½	Morton Woosley	5,250	.03	.01½	.01½	.01½
50c	.03	.02½	National Silver	11,000	.03	.02½	.02½	.02½
50c	.08½	.06½	Noble Five	7,500	.06½	.06½	.06½	.06½
50c	*.12½	.02	Oregon Copper	......	.02	.....	.....	.....
1	3.50	3.40	Pioneer Gold	698	3.40	3.50	3.40	3.50
No	.01	.01	Premier Border	4,000	.01	.01	.01	.01
50c	.08½	.07½	Porter Idaho	......	.07½	.....	.....	.....
No	.28	.28	Reeves McDonald	200	.28	.28	.28	.28
1	.27½	.22½	Reno Gold	11,900	.27½	.27½	.25	.27½
1	*.04	.01	Rufus Argenta	......	.01	.....	.....	.....
1	.05	.05	Ruth Hope	......	.05	.....	.....	.....
1	.03½	.02½	Silverado	2,000	.03½	.02½	.02½	.02½
25c	.02	.02	Silver Crest	......	.02	.....	.....	.....
50c	.05	.00½	Snowflake	......	.02	.....	.....	.....
1	*.45	.25	Sunloch	......	.25	.....	.....	.....
50c	*.02	.01	Topley Richfield	......	.02	.....	.....	.....
5	*.20	.05	Toric	......	.05	.....	.....	.....
20c	.02½	.02	Wellington	13,000	.02	.02½	.02	.02½
1	*.08	.02	Whitewater	......	.05	.....	.....	.....
No	*.03½	.00½	Woodbine	......	.01	.....	.....	.....

*Quotations for 1931.

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Cons. Smelters	$2.50+a	3.62	Mercury Oil	5c.	.....
Dome Mines	$1	10.00	Model Oils	9c.	.....
Granby	50c.	.....	Noranda	50c.	3.23
Hollinger	65c.+5	12.72	Premier	12c.	.....
Howe Sound	$2	.....	Pioneer, B.C.	12c.	3.53
Inter. Nickel	20c.	2.10	Sylvanite	4c.	.....
Lake Shore	$2+50c.	8.69	Teck Hughes	60c.+5	13.80
McIntyre	$1	5.47	Wellington Oil	5c.	.....
McLeod Oils	5c.	.....	Wright-Har.	10+2½c.	4.39

a, Stock bonus 1 share for each 20 shares held

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Many investors ask The Financial Post how they are to choose the stocks that may prove to be the stock market leaders in the next period of rising prices. The Financial Post is an investment and not a speculators' paper and it does not attempt to pick stocks for market appreciation. But many common sense principles can be set down and applied to various stocks to determine which have substantial promise and great relative merit.

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Canadian Mining News

PORCUPINE CAMP HAS RESERVES FOR MANY YEARS

Ore Estimated at 32 Per Cent of That Mined

INCREASE FOR 1932

Production in 1932 Estimated at 7 to 8 Per Cent More Than in 1931

From Our Own Correspondent

TIMMINS.—The very strong physical condition of the leading gold mines of the Porcupine district is a feature of importance to this district. Despite the fact that Hollinger, Dome and McIntyre were discovered in 1909 and their names have been household words in Northern Ontario since regular production commenced 20 years ago, yet the ore reserves still lying in these mines are enormous.

Official records submitted to the correspondent of The Financial Post show the ore reserves of these three leading Porcupine producers is at least 32 per cent as great as all the ore so far taken out.

Up to the time of writing, late in January, 1932, Hollinger Consolidated has produced $170,000,000 in gold and still has an ore reserve of around $45,000,000. That is the ore in reserves are equal to over 26 per cent of that so far mined.

Dome Mines, up to the closing days of January, 1932, has produced an aggregate of $51,000,000 in gold. Its ore reserves stands at close to $13,000,000, or over 25 per cent of that so far produced.

McIntyre-Porcupine has a still greater percentage of reserve, this mine having produced $50,000,000 up to the latter part of January, 1932, and with ore reserves exceeding $20,000,000. The reserves exceed 40 per cent of the ore so far mined.

$271,000,000 Total Value

Combined production of Hollinger, Dome and McIntyre up to this time has reached $271,000,000, and with ore reserves exceeding $88,000,000. In the aggregate, the ore reserves are approximately 32 per cent of the entire production so far taken.

A feature of recent developments is the tendency to treat larger tonnage. The mines of the entire Porcupine field in 1931 produced 3,078,609 tons of ore as compared with 2,559,798 tons in 1930. Production in 1931 was $19,893,544 as compared with $17,822,365 in 1930. This increase may be expected to continue through the current year.

A survey just completed by the correspondent of The Financial Post has indicated a possible increase of 7 or 8 per cent in the tonnage treated in 1932 as compared with the record for 1931. The slight addition to the Dome mill assures larger tonnage, while at McIntyre-Porcupine the new mill will be in full operation in 1932. Hollinger, too, is planning larger tonnage, and the indications are that an aggregate of 200,000 to 250,000 tons will represent the increase in ore treated during 1932 in Porcupine.

Dividends Doubtful

In regard to dividends, the question of any change appears to rest with McIntyre-Porcupine. Net profits, after all allowances including depreciation, are now at a rate of $2.25 per share annually as compared with dividends of $1 per share annually.

Everything considered, the prosperity of the Porcupine gold fields is assured of continuity for some years to come, and with developments still disclosing additional ore accordingly as work reaches downward into new horizons.

ALEXANDRIA GOLD LOOKS FAVORABLE TO MINES BRANCH

New Work Holds Hope For Important Producer

Following the announcement by officials of Alexandria Gold Mines that the International Mining Corp. had entered into an agreement to conduct further development work and, if justified, to erect a mill, comes the report on the property by the Department of Mines of British Columbia.

In commenting on the company's activities in the past year the department made the following reference:

"The lowest ore beach tunnel was driven some 550 ft. following a pyritized quartz vein for about 350 ft. This ore shoot averages about 5 ft. wide of a little better than $8 per ton gold ore. At a point 150 ft. in this tunnel a shaft was sunk 270 ft. A drift on the vein was started west, or into the hill, at the 100 ft. level. This has now been driven 325 ft. The first 235 ft. from the shaft is all in ore, then 75 ft. through a fault zone, after which the vein was again picked up and it is understood is improving in width and value. The ore in the face of the 100 ft. level is now about 75 ft. beyond the west end of the ore shoot in the beach tunnel and is a very encouraging feature. Crosscuts on the 100 ft. level show the ore to have an average width of between 7 and 8 ft., and official sampling indicates an average value of about $10 in gold to the ton. Beyond the zone the vein is stated to be 2 ft. wide of $16 ore. Altogether this level is distinctly encouraging and indicates that if improvement continues in width of vein and samples in further depth, as from the beach level to the 100 ft. level, the Alexandria will become an important gold producer. A crosscut from the shaft to the vein at the 250 ft. level and drifting on the vein at that depth will tell the tale."

Metal Prices

New York—January 26—
Copper—Electrolytic spot, 7½c. lb.
London—January 26—
(Long Ton)—
Copper—Electrolytic spot, £45; future, £47.
Standard spot, £39 2s 6d; future, £39 5s.
Tin—Spot, £140 15s; future, £143 12s 6d.
Lead—Spot, £14 17s 6d; future 15£.
Zinc—Spot, £14 7s 6d; future, £14 15s.
Silver—19 15-16d. per ounce.

Should Mining Profits Be Disbursed as Earned?

Fourth of Series of Articles on Results of Policies Followed by Leading Canadian Mines.

No. 4, Lake Shore Mines

In discussions in previous articles on the question of disbursement of earnings by mining companies, it has been shown that without exception the exploration policies of the companies discussed in their search for new mines have not been rewarded with success.

Having regard for the lack of success met with by mining companies in their efforts to perpetuate their existence as mining enterprises some shareholders have expressed themselves as favoring the policy of disbursing earnings of the period to the shareholders of the period and abandoning exploration activities.

One well-known mining authority expresses the opinion that if producing companies did not conduct exploration work with a portion of their earnings a serious blow would be given to prospecting so essential to the mining industry. He proceeded to show that the producing mining companies by utilizing a portion of their earnings are rendering a vital service to the industry even though the history of their efforts in Canada has not been one of success. He maintains that leadership in exploration work should be given by the large and profitable mining enterprises.

Other Side of Argument

Other mining interests opposed to exploration maintain that if the earnings spent on exploration work by mining companies were disbursed to shareholders, that the shareholders, themselves, would have greater funds available to speculate in promotional and exploration activity. It is contended that the investor by securing greater dividends on his investments would have regard for the profits accruing from the industry and on account of these higher profits would be disposed to re-invest his earnings in exploration efforts to find new mines. It is further contended by this mining man, that the psychology of the investor is to reinvest along the lines that have been most profitable to him and that this would be productive in securing greater sums for exploration work than are at present expended by the producing mining companies undertaking such work.

Lake Shore Mines, currently Canada's largest gold producer, has followed the policy of disbursing a high percentage of its earnings to its shareholders in dividends, retaining only such capital as was required to finance its operations and provide for contingencies. Lake Shore since its inception has been concerned only with development of its Kirkland Lake holdings. Its organizer and president, Harry Oakes, realized that its original holdings were not sufficient for big mine-making possibilities and, therefore, acquired adjacent claims by negotiation prior to the commencement of production. Owing to the lack of cash most of these claims which now form the Lake Shore property were acquired by an issue of treasury shares. Since production was inaugurated in 1918 no additional property has been acquired. While it is a coincidence that Canada's largest gold mine has been singularly free from outside exploration activities its policy in disbursing such a high percentage of earnings to its shareholders has won for it the unhesitating approval of the management by the shareholders, and it would be difficult to find another mining enterprise where the shareholders were in so universal accord with the policy of the management.

No Investment Losses

Not only has Lake Shore been free from outside exploration activity, but it has also been free from losses in investments. Its liquid assets have been maintained only at such levels as were adequate for the magnitude of its operations. On June 30, 1931, the last statement available, liquid assets were made up of $2,034,650 in cash, $547,428 in bullion and $218,176 in bonds. That is, less than ten per cent of its liquid assets were in marketable securities. This policy doubtless reduced its income from its investment earnings, but it had the effect of safeguarding the mine against the losses which have been so prevalent in all classes of securities during the past two years.

COMPANY FORMED TO DEVELOP FINDS THREE DUCK LAKE

Young Shannon Gold Mines Obtains Charter — Ore Shipped

The Young Shannon Gold Mines Ltd., has been incorporated with an Ontario charter to develop the holdings of Cyril T. Young in the Three Duck Lake area of Chester township, about 90 miles northwest of Sudbury, Ont.

The new company has an authorized capitalization of 3,000,000 shares of no par value. No public offering will be made of the company's shares, the funds required for development being provided by associates of Mr. Young.

Permanent camp buildings have been built on the company's property and six men have been at work for the past several months. A shear zone has been traced for about 2,000 ft.—1,000 ft. east and west respectively of the present workings—which have been opened up for a distance of 60 ft. In that section of the zone opened up, several parallel veins have been encountered showing high grade values in gold as well as copper. From this open cut about 7½ tons of high grade have been bagged for shipment to the Ontario Refining Co. at Copper Cliff for testing. The highly siliceous ore is valuable to the refining company as a flux. It is estimated that the value of the ore bagged ranges around $75 per ton, gross. It is the intention of officials of the company to start diamond drilling on the property at once. A small plant has been acquired and a shaft is to be sunk.

Three Duck Syndicate Active

Another group that is active in the area is the Three Duck Syndicate headed by Fred Gossglin, of Sudbury, who has charge of the company's activities.

Arrangements have been made for sending in a mining plant. Camp buildings have been erected to accommodate a crew. During the past year the property has been trenched, and eight veins opened up in the sedimentary belt extending into the area. One vein is reported to have been opened up at intervals over a distance of 1,200 ft., while another has been trenched for 500 ft., showing an average width of 10 ft.

H. C. Laird, of the Ontario Department of Mines completed a survey of the area last fall and pronounced the formation the same as that in the Swayze area to the northwest. Formerly it was believed that the Three Duck area was largely of granite formation, but the new investigations show the sedimentary belt extending into the area from the adjoining townships to the west.

The Ontario Government extended a road from Makwa on the Canadian National Railway into the new area. This road extension involved the building of two bridges and now makes the area accessible to the railway, a distance of approximately 19 miles.

Trail Ore Receipts

Following is a statement of ore received at the Trail smelter, for the period January 8 to 14, inclusive:

Name of Mine	Locality	Tons
Highland Lass	Beaverdell	52
Knobhill	Republic	43
Perrier	Nelson	98
Union	Lynch Creek	37
Total		230
Total company		7,204
Grand total		7,434

LAKE SHORE PRODUCTION AT NEW PEAK

Indicated Earnings Spell $4 Dividend Rate For 1932

Lake Shore Mines for the three months ended December 31, 1931, had a bullion production valued at $3,230,000 from 212,650 tons of ore treated. This indicates an average recovery of $15.18 in gold per ton from treating an average of 2,325 tons daily. December was the best month in the company's history with a production close to $1,100,000 and indications point to a like recovery in immediately succeeding months, with further increases to be shown when the new flotation section of the mill is tuned up and all units working to maximum efficiency.

In addition to the above production the company receives close to $500,000 per annum in premium owing to the prevailing rate of exchange on United States funds. On this basis, the premium accruing to the company in the past three months approximated 50 per cent of the quarterly dividend requirements. On the basis of last year's costs the indicated net profits for the past three months operations, exclusive of the exchange, were between $1,800,000 and $2,000,000 or with premium on production, in excess of $1 per share.

The last dividend disbursement was on the basis of $2 per share annually, that is, 50 cents a quarter, plus a bonus of 50 cents. As net profits in the last quarter were substantially in advance of dividend requirements, indications point to what may be expected in the future.

As has been pointed out in The Financial Post in previous months, Lake Shore earnings indicate that the company is headed for a dividend of $4 per share annually. The next disbursement is on March 15, but whether the $4 rate will prevail at that time is a conjecture. Current earnings would permit such a disbursement being paid.

Lift Minimum on Smelters

From Our Own Correspondent

MONTREAL.—Montreal Stock Exchange announces the removal of the minimum price on stock of Consolidated Mining and Smelting Co. of Canada on January 28.

BRITISH CANADIAN VOTES TO APPROVE CAPITAL INCREASE

Bonds to be Exchanged for Preferred Shares Finance on Common

At a meeting of shareholders of British Canadian Mines, held in Toronto, January 25, approval was given to increase the capitalization of the company and retire the bond issue.

The present capitalization consists of $3,000,000 in $1 par value shares of which approximately 2,920,235 shares are issued. In addition there are about $203,100 7 per cent bonds outstanding. The capitalization as approved provides for increasing the common stock to $4,000,000 and creating $500,000 in $100 par, cumulatives preferred shares. The preferred shares, cumulative from 1929 and redeemable at any time after 1939, are to be exchanged for the bonds outstanding. The 1,000,000 additional common shares are to be offered to finance the company's operations.

The company was incorporated ten years ago to develop a gold property, consisting of 1,357 acres in the Rainy River district of Ontario. A 150 ton mill is on the property awaiting assembly. It is estimated that 67,000 is needed to bring the property into production.

J. M. Aitken, president of the company, gave the shareholders a detailed report of expenditures and stated that approximately $750,000 had been spent on the property. At the time the company's name was changed from the Swedish Canadian Mines there were 1,402,797 shares out of the 3,000,000 authorized left in the company's treasury. Of these 1,323,032 have been sold at an average price of 38 cents per share to net the treasury $507,555. The bond issue netted the company $162,530. Outstanding liabilities at the present are stated to be $54,897.

MINING CORP. SILVER OUTPUT AT HIGH POINT

Last Quarter Best in Four Years — Ashley Nears Production

The production of silver by the Mining Corp. of Canada, during the three months ended December 31, was the greatest in the past four years, according to the quarterly report forwarded to shareholders.

Production in the last quarter of 1931 was 646,462 oz. of silver bringing the total production for the year to 1,053,727 oz. as compared with 964,189 oz. in 1930. Cobalt production in the last quarter was 343,422 pounds making the total output for the year 1,260,424 pounds, as compared with 339,994 pounds in 1930.

The company comments on the development at its subsidiary, the Ashley Gold Mining Corp. in the Matachewan area, Ontario, as follows:

"Since the last quarterly report the developments at the Ashley Gold Mines property have been gratifying, and confirm the hopes which your directors have entertained with regard to the development of the claims, which were staked on behalf of the Mining Corporation of Canada in October, 1930.

"The inclined shaft was completed to the 500-foot level, and stations cut at the 375 and 500 foot levels. As soon as these stations had been completed lateral work was commenced, and the results obtained have demonstrated conclusively that a mine has already been established. At this early stage of development (shaft-sinking only started late in March, 1931), it is too early to prophesy what size the mine will turn out to be, but all the indications shown by diamond-drilling and subsequently proved by drifting, are very favorable to the development of a property of importance.

"So far all development work has been confined to the Ashley vein, although there are numerous other veins and stringers in the vicinity upon which no work has been done, and consequently their importance is not known, but their presence is a favorable factor in future development of the property.

"Consideration is now being given to the question of the erection of a mill, and the best type of plant to be installed on the property. It is expected that a decision on the mill question will be arrived at in the near future, and when the decision is made to put a mill on the property construction will be carried on as expeditiously as possible.

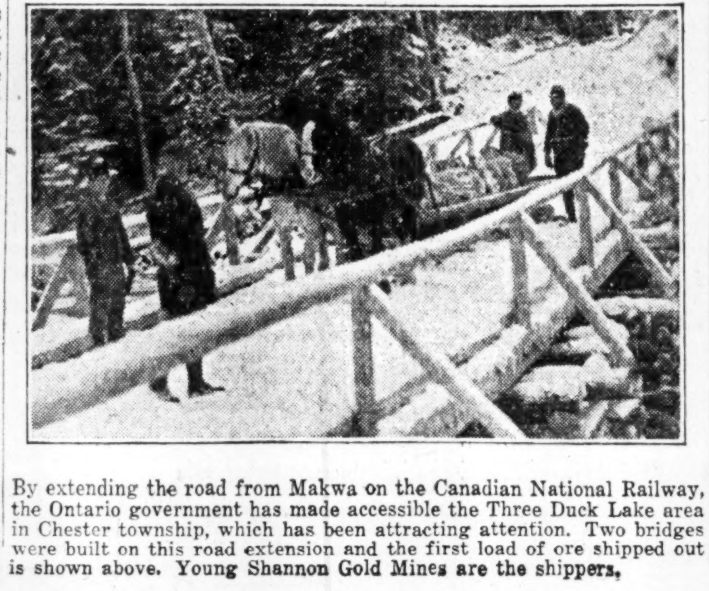
"Since the close of the year 1931, developments have continued to give excellent results both as to vein width and values, and in fact in some cases both values, and widths are higher than on the upper levels. Your directors look forward with confidence to the development of the Ashley Gold Mining Corporation Limited, and have high hopes that it will prove to be a very substantial revenue producer for the corporation."

Index of Mining Stocks

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 59.8 for the week ending January 21, as compared with 60.6 for the previous week.

Eleven gold stocks fell from 60.9 to 59.8, four gold-copper stocks rose from 63.7 to 64.1, and five silver and miscellaneous stocks from 26.9 to 27.0.

Government Extends Road to New Mining Area



By extending the road from Makwa on the Canadian National Railway, the Ontario government has made accessible the Three Duck Lake area in Chester township, which has been attracting attention. Two bridges were built on this road extension and the first load of ore shipped out is shown above. Young Shannon Gold Mines are the shippers.

Smelters Metals $15,217,309 in 1931

The value of the metals produced by Consolidated Mining & Smelting Co. in 1931 is estimated at $15,217,309 as compared with $21,613,750 in 1930.

Lead production declined approximately 8 per cent, zinc production about 15 per cent, and silver about 5 per cent.

The chief cause of the decline was lower metal prices rather than a decrease in volume of metals produced.

RED LAKE CAMP GIVEN INTEREST BY NEW ACTIVITY

Old Properties Conduct Further Work With Good Results

Renewed interest is being exhibited in the Clearwater Lake section of the Red Lake mining division of Ontario and next season promises to see activities that will recall the 1925 rush into the area.

One company that has persistently carried on work is Metals Development Ltd. The company has approximately 1,000 acres in this area, which has been test pitted and has had a two-compartment shaft sunk to a depth of 100 ft., on the No. 1 vein system. On the 100 ft. horizon 320 ft. of drifting was done entirely in ore, which officials state averaged $12 per ton over an average width of 4 ft.

Plans have been laid for an aggressive development programme next spring. The company has purchased the old mining plant of the Dunkin Gold Mines, in the same area, and will sink a new three-compartment shaft. The exceptionally mild winter has materially retarded progress as the ice on the lakes is not yet sufficiently strong to permit the transportation of heavy equipment and supplies. At the present time there are about 100 tons of dynamite and other supplies lying at Gold Pines awaiting transportation to the property, as is the mining plant from the old Dunkin operations.

Rouillard Mines Active

Adjoining Metals Development on the south the Rouillard Gold Mines is conducting a diamond drilling programme following the finding of high grade showings on its property.

Adjoining the Rouillard Gold Mines on the south, the Patricia Dent Gold Mines have plans laid to resume development next spring. A diamond drill is being moved in and a crew fitted for conducting an extensive exploration programme. During former activities a shear zone was traced for a distance of 2,000 ft. and two shallow shafts sunk 1,500 ft. apart. Test pits were put down at intervals over the entire zone and it is now planned to explore it at depth by diamond drilling. Last fall the company optioned 500,000 treasury shares and the proceeds have enabled the present programme to be launched.

Jackson Manion Re-organizes

Jackson Manion Gold Mines and Mint Ore Mines have been merged into a new organization known as the Mintore Consolidated Mines. Considerable work has been done on the Jackson Manion property and in light of renewed activities in the area it is proposed to conduct further work with the funds remaining in the Mintore treasury, which are to be supplemented by funds provided by the directors.

The new company, Mintore Consolidated Mines, will have authorized capitalization of 3,000,000 shares and shareholders in each of the old companies are to receive one new share for each five previously held.

Tailings

An airplane base has been established at Chapleau on the Canadian Pacific Railway to facilitate transportation to the Swayze area. In the past few weeks Gogama has been the jumping off place for the new area. Activities in the Swayze area are reported to be giving encouraging results. Consolidated Smelters is proceeding with the exploration of its properties adjoining the McNeeley-McCullough claims. On the Montgomery group, south of the original Kenty find, assessment work has been completed for the time being. On the Kenty claims controlled by Brett-Trethewey and associates, progress is being made at a satisfactory rate. A trail has been cut from the Kenty property to the Ridout-Cunningham property in Greenlaw township thus providing a closer connection with the railway at Sultana on the Canadian Pacific Railway.

* * *

Reports from Vancouver state that the Dominion assay office at Vancouver is to be closed down owing to the gold production in the area being shipped to the United States. The office was opened 31 years ago in the days of the Klondike. Shipments of gold to the United States are made under special license from Ottawa.

* * *

Transportation to the Ashley Gold Mining Corp. property in Matachewan is being interfered with by climatic conditions. A few days ago the two 20-ton transformers for the Ashley sub-station were reported awaiting snow that would enable the equipment being taken in over a winter road.

* * *

LeRoy Gold Mines report that its shaft has reached a depth of 142 ft. with a station cut at 125-ft. horizon. Crosscutting is under way. A small vein was intersected at 110 ft. depth in the shaft with the mineralization carrying values in gold.

* * *

Northern Aerial Minerals Exploration has optioned its 65 claims in the Great Bear Lake section to the Haland Trading Co. The deal involves 85 per cent interest and calls for a cash payment with the privilege to select the claims desired within a specified period.

* * *

Shareholders of Bagamac Rouyn Mines have received an announcement calling an annual meeting to be held in Haileybury, February 2.

* * *

Capital Rouyn Gold Mines has called an annual meeting of its shareholders for February 1, at Hull, Quebec.

ST. ANTHONY GOLD SEEKING FINANCES TO RE-EQUIP MINE

Former Producer Holds Promise With Efficient Plant

St. Anthony Gold Mines recently completed arrangements to obtain funds for the further development and equipping of its property in the Sturgeon Lake area, Thunder Bay district, Ontario.

The company's property was described in a report by the Ontario Department of Mines in 1930, as one of the earliest and most important discoveries in the region. Interest in the area dates back to 1898 when gold discoveries were first made. In 1901 a mill was built on what is now the St. Anthony property and operated intermittently until 1918, producing approximately $250,000 in gold.

The main vein is 1,100 ft, long on the surface and the maximum width is 25 ft. Two other vein systems have been located on the surface, but the main vein is the only one on which underground workings have been carried to a depth of 525 ft., and lateral work amounting to approximately 3,500 ft. has been done. There is a ten-stamp mill and amalgamation plant on the property. During 1928 and 1929 approximately 3,000 ft. of diamond drilling was done in exploration of the underground ore zone. Officials report that the developed ore is estimated at 50,000 tons assaying $11.79 per ton, exclusive of the broken ore in the stopes and that indicated by diamond drilling. In addition, there are mill tailings on the surface from former operations estimated at 50,000 tons, assaying $5.88 per ton in gold.

Owing to the now obsolete mill used in early operations and the low recovery made, it is the plan of the officials to add a 125-ton cyanide unit enabling a recovery being made nearly double that of former operations.

One of the contributing factors to unsuccessful results in the early operations, aside from the low recovery, was the high cost of generating steam power. The company has now acquired a lease on a hydro-electric site, 8½ miles from the company's property, and purchased two turbine-driven generators totalling 1,000 h.p. Upon funds being made available it is planned to develop this power site and to supply the mill with electric power at an estimated cost of $18 per h.p. per year as compared with $200 per h.p. per year from the steam plant.

The authorized capitalization of St. Anthony Gold Mines is $3,000,000 in $1 par value shares of which 2,341,900 are issued. One million four hundred thousand shares are pooled indefinitely at the discretion of the directors.

Ontario's Gold Output Totals $42,696,453

Official figures by the Ontario Department of Mines show the gold production in Ontario for 1931 as $42,696,453. This compares with $35,518,862 in 1930, or an increase of 20 per cent.

The average recovery from all ore treated in 1931 was $8.51 in gold as compared with $9 in 1930. December led all previous months in value of production with an output of $3,906,467. The Kirkland Lake camp led the Porcupine area by about $2,000,000, Kirkland Lake output being valued at $21,789,767 as compared with Porcupine's $19,893,544.

The average recovery from the ore treated from the Kirkland Lake camp was $12.81 in 1931 as compared with $13.52 in 1930. In the Porcupine camp the average recovery was $6.46 per ton in 1931 as compared with $6.96 in 1930.

In order of output, the six leading producing properties in Porcupine were: Hollinger, McIntyre, Dome, Coniaurum, Vipond and March. In the Kirkland Lake camp the order was: Lake Shore, Teck-Hughes, Wright-Hargreaves, Sylvanite, Kirkland Lake Gold and Barry-Hollinger. In northwestern Ontario there were three commercial producers, Howey, Minto and Parkhill.

Alschbach Gold Mines Arranges For Funds

Toronto interests have optioned a block of stock to Alschbach Gold Mining Co., and an effort is being made to dispose of the shares to refinance the company's depleted treasury.

Work was closed down in 1931 at the company's property in Grenfell township, about 4½ miles west of the producing section of Kirkland Lake camp. Operations have been carried to a depth of 160 ft. and about 600 ft. of drifting done on the 125 ft. level.

The authorized capitalization of the company is 2,500,000 in $1 par value shares of which 1,620,813 is outstanding. About 600,000 shares have been donated to the company for the benefit of its treasury, making 1,479,187 shares available for financing.

Wide Powers Given Duncan Coal Body

From Our Own Correspondent

MONTREAL.—Wide powers have been conferred on the new Duncan Coal Commission which enable it not only to enquire into and report on rates of wages, working conditions, but also all factors directly or indirectly entering into the cost of production, transportation, distributing and marketing of coal and its by-products. Further, the commission is empowered to investigate all other matters as may be deemed expedient by the commissioners.

The commission is headed by Sir Andrew Rae Duncan and includes Rev. Dr. Hugh P. MacPherson and Prof. John W. MacMillan. The commission, it is expected, will endeavor to conclude its work and turn in a report before the end of February.

Its findings will have a strong bearing on the situation surrounding Dominion Steel and Coal Corp. which is in disagreement with its mine workers regarding wage rates. The present wage contract, which the company seeks to reduce, expired January 31 but has been extended one month by mutual agreement of the company and men, pending the commission's appointments.

Howe Sound Profits Reduced to Low Level

The quarterly report of the Howe Sound Co. for the fourth quarter of 1931 shows the lowest earnings for any period during the past several years. A net income of $46,190 was reported after write-offs of $102,919, as compared with net earnings of $99,860 for the three months ended September 30.

Miscellaneous income, principally from the company's investments, enabled the company to show a profit while a loss is shown from operations alone.

The following is a tabulation of earnings and production for the four quarters of 1931:

Income Account	Dec. 31 1931 $	Sept. 30 1931 $	June 30 1931 $	Mar. 31 1931 $	Total 193 $
Value of metals produced	1,388,749	1,896,268	2,128,082	2,704,720	13,210,4
Operating costs	1,347,245	1,797,262	1,983,805	2,389,844	10,444,
Operating income	41,504	99,006	144,277	314,876	2,765,
Miscellaneous income	107,605	128,605	109,950	129,697	448,
Total income	149,109	227,611	254,227	444,573	3,214,
Less: Depreciation	102,919	127,751	126,760	124,875	1,183,
Net income	46,190	99,860	127,467	319,698	2,030,
Production					
Gold, ounces	1,132	655	1,200	2,489	12,
Silver, ounces	835,099	814,999	919,773	1,078,408	366,
Copper, lbs.	5,118,434	7,438,334	8,006,654	8,054,620	45,266,
Lead, lbs.	22,386,280	21,536,110	24,871,074	29,168,294	90,430,
Zinc, lbs.	10,509,959	20,493,623	20,700,604	22,692,729	59,120,

Electric Power Speeds Granada's Operations

From Our Own Correspondent

ROUYN.—During the past week-end the switch was made at Granada Gold Mines from the old Diesel plant to hydro-electric power. The electric energy was turned on late Monday night and a dispatch from the mine manager declares the plant is operating in an excellent manner.

With an abundance of hydro-electric power now at the command of a switch, Granada will now add four more rock drills and will also speed up mill operations. The switch-over also brought into play the new electrically-driven 15-drill air compressor.

Nickel Earns 2c Per Share N.Y. Estimate

Pending official figures, the Wall Street Journal has estimated the net earnings of International Nickel Co. of Canada, for the three months ended December 31, as between $800,000 and $900,000 after depreciation, depletion, interest and taxes. This compares with $645,970 for the previous quarter that ended September 30, or equivalent to two cents per share on the common stock in the last quarter as compared with one cent in the previous quarter.

In commenting on the company's operations the Wall Street Journal said that International Nickel was one of the few companies engaged in international trade whose main line of business showed improvement during the final quarter of 1931.

Due to the new method of selling the platinum metal that International Nickel produces, profits were better in the fourth quarter than in the third. On the other hand, the price of copper in the last three months of the year averaged less than in the third quarter, so that the earnings from copper were appreciably less than in the previous quarter. The company's nickel earnings are reported to have shown improvement in the last quarter and account for the better earnings estimated in this period.

Quebec Copper Output Is Not Being Shown

The Quebec Bureau of Mines reports a gold output in December of 25,437 oz., which is about on a par with the output in immediately preceding months. Silver production was shown at 44,248 oz., also about the average of the past few months. Copper production is not given. Noranda, being the only copper producer in Quebec, doubtless thinks it expedient not to publish its output, with the world producers curtailing their production.

Plan Elevator at Windsor

A new grain elevator of 2,000,000 bushels capacity is scheduled for the Windsor waterfront. Construction will begin early in March and it is proposed to complete the building in time for the 1932 grain movement. The elevator will be equipped with drying and cleaning apparatus and will have a warehouse adjoining it, both having their respective docks.

East Geduld's Earnings Seen As 25 Per Cent

The Stock Exchange Gazette of London, England, estimates a profit of ten shillings per ton by the East Geduld Mines, in which Dome Mines has a share interest.

Based on treating 60,000 tons of ore per month, a profit of £30,000 is indicated, says The Gazette, with the likelihood of a decision, at no distant date to increase the plant to handle at least 80,000 tons per month. On the basis of present capacity earnings of 25 per cent on the authorized capitalization are indicated.

The price paid by Dome for its shares has not been disclosed, but is reported to be around 51 shillings each. On this basis the indicated yield on the investment promises to be about 8 per cent with a proportionately higher increase should production be stepped up to 80,000 tons monthly.

McLeod River Assured Funds By New Group

F. W. MacDonald & Co., Toronto, announces that it has been successful in arranging for the financing of the McLeod River Mining Corp. to the production stage.

The new interests who have taken an option on a block of treasury shares and made an initial payment are a responsible Montreal group which has financed another near gold producer in a substantial way. The agreement calls for providing funds to meet current liabilities, provide for expenditures necessary to bring the property into production and assure working capital until it is self-supporting.

The company has a lease on a placer gold property on the McLeod River near Peers, Alberta. An 80,000 cu. yard monthly capacity gold dredge is nearing completion and it is expected that operations will start by about March 15, next. Drilling has indicated an extensive deposit of gold-bearing gravel averaging 17½ cents per cu. yard. The estimated costs of recovery and treatment are six cents per yard.

Canusa Changes Pilot New Financial Effort

Canusa Mining & Exploration Co. has lost the guiding genius of George J. Miller as president, according to official announcements. He is to be succeeded by a Detroit "financial" man.

It is also announced that E. G. Joy, of Pittsburgh, will finance the future activities of the company, and thus another financial chapter is to be written into the company's history. From its incorporation in 1928, it has experienced a series of "financial arrangements," none of which have worked out to the advantage of the company in a substantial way.

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